

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Holiday Inn on the Bay
Pacific Ballroom
1355 North Harbor Drive
San Diego, California 92101
September 23, 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
Bob Giroux
Scott Gordon
Robert Lennox
Janice Roberts

Members Absent

Tyrone Freeman
Barry Broad, Vice-Chair

Executive Staff Present

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

III. APPROVAL OF AGENDA

Ms. Carrillo requested that the job creation/new hire training discussion be deferred until next month's meeting when Barry Broad, Vice Chair, could be present. Ms. Bobrow added that the agendized High Unemployment Area regulation would be brought forward at next month's meeting.

ACTION: Mr. Gordon moved and Mr. Lennox seconded the Panel approve the Agenda, as corrected.

Motion carried, 5 – 0.

IV. APPROVAL OF MINUTES

ACTION: Mr. Giroux moved and Ms. Roberts seconded the Panel approve the Panel Minutes of August 26, 2005.

Motion carried, 5 – 0.

V. REPORTS OF THE CHAIRPERSON/PANEL MEMBERS

None

VI. REPORT OF THE ACTING EXECUTIVE DIRECTOR

Legislative Report

Ms. Carrillo described two bills and the status of each:

Senate Bill 102 (Ducheny) proposes permissive action by the Panel to fund up to five pilot programs in the healthcare industry, which would allow nurses' aides to be upgraded to LVN's. This is possible within the current statutes, but the bill places more emphasis on the healthcare industry. This bill has been sent to the Governor after passing both houses.

Senate Bill 314 (Romero) would allow training of workers in seasonal industries who do not otherwise qualify for ETP funded training, under the Special Employment Training (SET) category. The bill is permissive and would allow the Panel additional flexibility in reaching the major seasonal industries. California Manufacturing and Technology Association and California Chamber of Commerce had opposed this bill because (1) much of the agricultural industry was perceived not to be paying the Employment Training tax that supports ETP, and (2) the limited funds available in the Special Employment Training category. This bill has passed and will go forward to the Governor for action.

There are three actions that may be taken by the Governor by October 8, 2005: (1) sign, (2) veto, or (3) take no action. If the Governor signs or takes no action, the bills become law, effective January 1, 2006.

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 Ms. Roberts 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, 5 – 0.

Ms. Carrillo asked for a motion to approve those single employer contracts that have been placed on Consent that are less than \$125,000 and do not have any issues.

Consent Calendar Projects

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

Arnold Engineering, Inc.	\$49,560
Coherent, Inc.	\$120,796
Cyvex Nutrition, Inc.	\$8,400
Decade Software Company, LLC	\$3,680
Han Ma Eum Senior Services, Inc.	\$42,000
Rantec Power Systems, Inc.	\$50,400

Motion carried, 5 – 0.

Fund Status

Ms. Carrillo stated that the project amounts for this month totaled approximately \$6.8 million. Out of this amount, it is expected that \$2.5 million will be encumbered; resulting in approximately \$18 million left to encumber for the remainder of the fiscal year, which would result in approximately \$54 million contract value. Ms. Carrillo stated that ETP currently awards approximately \$7 million per month in training projects, and it is expected that ETP funds will be depleted by May 2006. In June 2006, ETP may begin using next year’s fiscal year funds.

VII. REPORT OF THE ACTING GENERAL COUNSEL

Ms. Bobrow stated that the formal comment period had been completed for the out-of-state competition regulation and that regulation would return for further consideration. An Interested Person’s Meeting in connection with changes to ETP’s subcontracting process is scheduled for September 29, 2005, at the ETP Sacramento office.

VIII. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

Single Employer Proposals

Genentech, Inc.

Ruby Cohen, Manager of the Sacramento Office, presented an Amendment for Genentech, Inc. (Genentech) in the amount of \$700,000. Genentech manufactures biotherapeutics for serious or life-threatening medical conditions. The Panel approved the existing ETP Agreement in October 2004 to support the expansion of Genentech’s biotechnology manufacturing site in Vacaville, California. Genentech plans to hire and train 500 new employees. To date, over 160 employees have been hired and have started training.

Approximately another 140 employees will be hired and are expected to complete training within the term of the Agreement. In addition, 100 incumbent employees will be trained to assist in the start-up activities of the new plant, as well as supporting capacity expansion within the existing plant and providing infrastructure support for a total of 400 employees to be retained.

Ms. Cohen introduced Andrea Jackson, Associate Director of State Government Affairs and Angie Fox, Senior Supervisor of Training and Development.

Ms. Roberts asked if Genentech paid the temporary employees directly or if they were paid by the training agency. Ms. Fox stated that Genentech pays the temporary agency and the employees are paid directly by the temporary agency. Genentech trains the temporary employees so they may begin their work. Once the temporary employees have met the 90-day retention period, Genentech would like to request reimbursement for the training that took place during the time they were temporary employees. Ms. Roberts asked what percentage of temporary employees became full-time employees. Ms. Fox estimated the amount was approximately 50 percent. Ms. Carrillo replied that the Panel would not reimburse Genentech unless temporary employees became full-time employees.

Ms. Roberts asked if the engineers and the administration personnel were receiving a salary or whether they were hourly employees. Ms. Fox replied that the employees were both salary and hourly employees. Ms. Roberts asked if managers or supervisors would fall under this category. Ms. Fox stated that most of the engineers referred to in the amendment were not supervisory or management employees. Mr. Filomeo commented on the addition of management and management skills in the training curriculum. He stated the goal of ETP funds was focused primarily on frontline workers than on management. Mr. Filomeo questioned the percentage of money Genentech believed would be spent on management skills training versus other training classes. Ms. Fox estimated the amount to be approximately 5-10 percent of the funds. She stated that the majority of training would be for frontline workers. She added that the additional request for management skills came from existing employees who were furthering their expansion capability by being promoted into management.

Mr. Gordon asked for further clarification on the number of trainees and occupations that the trainees would fill. Ms. Fox stated Genentech was hiring for multiple occupations due to the expansion of their new facility. She said the majority of the trainees would be technicians and quality/administrative personnel. Mr. Giroux asked for clarification regarding Genentech's outreach efforts and the temporary agency's bridge to Genentech. He asked if Genentech worked closely with the temporary agency in administering community outreach for recruitment purposes. Ms. Jackson stated that the bulk of the employees did not come through the temporary agency. She stated that the majority of employees came to them through Genentech's own recruitment process. She added that when employees entered through the temporary agency, that Genentech worked closely with the agency to ensure the outreach met specific diversity goals. Mr. Giroux requested a report from Genentech to the Panel within six months regarding outreach efforts.

Ms. Jackson stated that Genentech would be happy to submit a report providing the Panel with outreach efforts and its commitment to diversity within the company.

ACTION: Mr. Giroux moved and Mr. Lennox seconded the Panel approve the Amendment for Genentech in the amount of \$700,000.

Motion carried, 5 – 0.

Johns Manville Corporation

Ms. Cohen presented a One-Step Agreement for Johns Manville Corporation (Johns Manville) in the amount of \$119,600. Johns Manville manufactures building and equipment insulation; commercial and industrial roofing systems, fibers, fabric, and non-woven mats used as reinforcements in building and industrial applications, and high-efficiency filtration media. The facility in Willows, California manufactures building insulation products that are distributed throughout the West Coast.

Ms. Cohen introduced E. Duane Nelson, Plant Manager.

Bob Giroux asked if Johns Manville was one of the largest employers in Glenn County. Mr. Nelson replied this was correct, with the exception of state and federal offices. Mr. Giroux commented that Johns Manville did most of their employee recruitment when natural attrition occurred from the surrounding area. Mr. Nelson stated this was correct. He said they recruit from Glenn, Tehama, and Butte Counties, with a small number coming from Colusa and Shasta Counties. Mr. Giroux asked if they recruited from the local colleges. Mr. Nelson stated Johns Manville had an excellent relationship with Butte College, which has offices in Glenn and Butte Counties. He said they also work with Chico State and have graduate support projects where students can participate in manufacturing and engineering development processes in human relations' projects that fit into their educational plans and development.

Mr. Gordon asked how many employees had moved into supervisory classifications. Mr. Nelson stated that out of 340 employees, 30 employees were in administrative and supervisory capacities. He said there were only 4 official supervisors in the entire plant. He added that there were approximately 50 employees who were in a leadership capacity in a frontline responsibility.

ACTION: Mr. Giroux moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for Johns Manville in the amount of \$119,600.

Motion carried, 5 – 0.

Automobile Club of Southern California

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Automobile Club of Southern California (ACSC) in the amount of \$719,316. ACSC offers travel, motorist, and insurance services to its members.

Ms. Kendrick introduced James F. Philipp, Vice President of Human Resources and Starlet Blanchette, Training Specialist of Education, Training and Development.

Ms. Roberts commented on the 63 percent amount earned from the last contract. She questioned whether the Training Funding Partners were the administrator at that time or if they were only now assisted by them. Mr. Philipp stated that in the last contract, there was a group in their sales organization that did not perform well and that all the other groups performed better than 79 percent.

Mr. Filomeo commented on the supplemental nature of funding. He asked about the amount of company funds that ACSC has set aside for training purposes to train employees on new systems and technologies. Mr. Philipp stated there was an overall budget for customer service training and that approximately \$10 million per year is spent in this area. Mr. Filomeo asked how ACSC would proceed if their contract was not approved today. Mr. Philipp stated the systems would be implemented at a much slower rate and the training would be extended over a larger period of time.

ACTION: Ms. Roberts moved and Mr. Lennox seconded the Panel approve the One-Step Agreement for ACSC in the amount of \$719,316.

Motion carried, 5 – 0.

Glacier Water Services, Inc.

Diana Torres, Manager of the San Diego Office, presented a One-Step Agreement for Glacier Water Services, Inc. (Glacier), in the amount of \$114,400. Glacier designs, distributes, and maintains purified-water vending machines. Glacier is headquartered in Vista, California, and the company employs 250 full-time workers statewide.

Ms. Torres introduced Luz E. Gonzales, Vice President of Human Resources, and Shirley Day, Corporate Trainer.

ACTION: Ms. Roberts moved and Mr. Lennox seconded the Panel approve the One-Step Agreement for Glacier in the amount of \$114,400.

Motion carried, 5 – 0.

UPS Supply Chain Solutions, Inc.

Ms. Torres presented a One-Step Agreement for UPS Supply Chain Solutions, Inc., (SCS), in the amount of \$999,973. SCS is a wholly-owned subsidiary of United Parcel Services that provides an array of global services for industrial companies, including logistics and distribution, transportation and freight (ground, sea, air, rail) international trade management, and customs brokerage.

Ms. Torres introduced Patricia Chideya, Audit Manager, and William K. Parker, President of National Training Systems, Inc.

Ms. Roberts questioned why SCS referred to themselves as primarily a low-tech long distance carrier. Ms. Chideya said that SCS was a “subsidiary” of the main UPS package company. Mr. Filomeo voiced concerns regarding leadership skills included in the proposed training. He asked what percent of funds SCS felt would be expended on leadership skills. Ms. Chideya stated it was 7–8 percent. Ms. Roberts noted the project administration costs, and asked if the amount was based on the percentage earned or a flat fee. Ms. Chideya said it was based on percentage earned.

ACTION: Mr. Lennox moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for SCS in the amount of \$999,973.

Motion carried, 5 – 0.

Special Employment Training (SET)

Good Samaritan Hospital

Good Samaritan Hospital was withdrawn from consideration at this month’s Panel meeting.

Regional Medical Center of San Jose

Regional Medical Center of San Jose was withdrawn from consideration at this month’s Panel meeting.

Multiple Employer Contracts

Sonoma County Junior College District, Santa Rosa Junior College

Ms. Cohen presented a One-Step Agreement for Sonoma County Junior College District, Santa Rosa Junior College (SRJC) in the amount of \$197,120. It has provided educational services to the business community in Sonoma, Lake, and Napa Counties since 1988.

Ms. Cohen introduced Betsy Roberts, Director of Workforce Training.

Mr. Gordon requested a success story including number of participants, where they are today, and how they have benefited from the program. Ms. Roberts gave an example of Filtration Group, Inc., which is a repeat participant in the program. Ms. Roberts said a company representative stated that by being able to “meter out” the training over the years, the company was then able to pace and integrate the skills in a way that fit into their manufacturing and company needs without a large amount of training. She stated the company had seen great success and improvement in the skills of their employees. Mr. Gordon asked if there was a publication or newsletter for recruitment purposes with success stories used by the junior colleges. Ms. Roberts said case studies were written up when a final evaluation was completed, which was then used for promotion. She stated there was also a website and that the college had an economic development page where success stories were also posted.

Mr. Giroux asked about the amount of training being done in Spanish. Ms. Roberts said the majority of training was done in English. She stated that La Tortilla Factory, Filtration Group, Inc., and the wineries had training courses in both English and Spanish. Mr. Filomeo asked what SRJC had done to improve performance. Ms. Roberts stated SRJC has scrutinized more closely the participating employers and received solid commitments from them. Mr. Giroux asked if SRJC had ever researched the stability achieved by past trainees and their placement locally. Ms. Roberts said this was done at the college through the alumni office, but not directly through her division. Mr. Gordon asked how employers find out about SRJC’s training. Ms. Roberts stated this was done through brochures, website, word-of-mouth, marketing, and cold calls. Mr. Gordon asked how participating employers ensured that their specific needs and curriculum were being met by the college. Ms. Roberts said that at SRJC an industry comes forward and an evaluation is done. If there are several companies that have a need, there is an assessment process in connection with the curriculum.

ACTION: Mr. Giroux moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for SRJC in the amount of \$197,120.

Motion carried, 5 – 0.

Integrated Management Systems Marketing, Inc.

Creighton Chan, Manager of the Bay Area Office, presented a One-Step Agreement for Integrated Management Systems Marketing, Inc. (IMSM) in the amount of \$199,923. IMSM is a trade association that represents small to medium-sized manufacturers throughout California. Member industries include semi-conductor/electronics, plastics and injection molding, coating and plating, metals, biotech, food process, software, aerospace, and defense; all of which face out-of-state competition.

Mr. Chan introduced Van Rainey, CEO. There were no questions from Panel members.

ACTION: Mr. Giroux moved and Mr. Lennox seconded the Panel approve the One-Step Agreement for IMSM in the amount of \$199,923.

Motion carried, 5 – 0.

Los Angeles County Electrical Training Institute

Ms. Kendrick presented a One-Step Agreement for Los Angeles County Electrical Training Institute (LAETI) in the amount of \$639,600. LAETI provides pre-apprenticeship, apprenticeship, and journey-level training for workers in the electrical construction industry. LAETI plans to train 700 frontline workers in a menu curriculum made up of commercial, business, computer, and literacy skills which does not duplicate, but is supplemental to the existing apprenticeship and journey level training programs.

Ms. Kendrick introduced Don R. Davis, Executive Director.

Ms. Roberts asked why the prior contract only earned 46 percent. Mr. Davis stated that the curriculum previously required a 40-hour minimum class. LAETI found that if the modules of training were offered in smaller increments, such as 24 or 32 hours, there was more interest in the training. When classes were offered at 40 hours or more, employee interest dropped considerably. Ms. Roberts asked if trainees were placed in Los Angeles County, or throughout the State of California. Mr. Davis stated that 99 percent of the trainees worked in Los Angeles County. He said that few journeymen travel outside of the county to work in other areas.

Mr. Gordon asked for elaboration on the nature of the pre-apprenticeship training. Mr. Davis stated the majority of training was in math skills and he said the electrical program required advanced math skills. Mr. Davis stated that employees could take the math courses which prepared them to enter the apprenticeship program. He stated that 90 percent of the failure rate was due to the lack of technical math skills and the remaining percentage was due to the lack of ESL (English as a Second Language) skills. Mr. Davis said the failure rate had dropped dramatically since offering the math skills training. Mr. Gordon asked if the trainees were members of the local pre-apprentices. Mr. Davis stated they were dues paying members which fell under a “summer helper” classification which does not qualify for prevailing wage jobs.

ACTION: Mr. Lennox moved and Ms. Roberts seconded the Panel approve the One-Step Agreement for LAETI in the amount of \$639,600.

Motion carried, 5 – 0.

National Tooling and Machining Association Training Centers of Southern California

Ms. Kendrick presented a One-Step Agreement for the National Tooling and Machining Association Training Centers of Southern California (NTMA) in the amount of \$2,097,920. NTMA is operated by an independent, non-profit trust established by the Los Angeles

Chapter of the National Tooling and Machining Association. As the training arm of the machining industry in Southern California, NTMA provides training to employees of small and medium-sized machine shops in the metal trade industry.

Ms. Kendrick introduced Michael Kerwin, Vice President of Operations/Education and Norma Meza, ETP Coordinator. There were no questions from the Panel.

ACTION: Mr. Lennox moved and Mr. Giroux seconded the Panel approve the One Step Agreement for NTMA in the amount of \$2,097,920.

Motion carried, 5 – 0.

George G. Glenner Alzheimer's Family Centers Inc.

Ms. Torres presented a One-Step Agreement for the George G. Glenner Alzheimer's Family Centers Inc. (GGG/AFC) in the amount of \$315,975. GGG/AFC is a private, non-profit agency that specializes in Certified Nurse Assistant (CNA) training and education in the care of adult patients with dementia illnesses, primarily Alzheimer's disease.

Ms. Torres introduced Michael R. Roush, Director of Learning Center and Todd Shetter, Vice President of Operations/Marketing and Board Member of GGG/AFC.

Ms. Roberts commented on the low wages versus the average cost per trainee. She asked if these trainees remained in the position of CNA's, or if they moved on to other job classifications. Mr. Roush stated that the CNA's specialized in dementia care which allowed them to make above the ETP minimum. He stated that over 90 percent of students earned \$10.00-\$15.00 per hour. Mr. Roush said they found that over 50 percent of the graduate trainees have continued within the healthcare profession and went on to become restorative nurse's aides, lead CNA's, LVN's, RN's, and social workers. Ms. Roberts asked for the percentage of trainees that had moved into higher positions. Mr. Roush stated that over 50 percent of the students recently surveyed, were continuing their education or had gone on to become LVN's or RN's.

Ms. Roberts asked about layoffs in previous occupations. Mr. Roush said the majority of the individuals had been laid off from another field. He stated that if they were already certified, then the training program would not benefit them. Ms. Roberts asked if GGG/AFC provided a certification for trainees. Mr. Roush said that they provided a state certification. Mr. Gordon asked if the given wage rates for the occupations included healthcare benefits. Mr. Roush said the wages reported did not include healthcare benefits; they were base wages. Ms. Torres stated that since they went to different employers that GGG/AFC had chosen to propose a project showing the base wage which would actually be higher than stated because of the healthcare benefits paid by the employer. Mr. Gordon asked if most of the participating employers provided healthcare benefits. Mr. Roush said there was a wide-array of benefits that were provided to CNA's and that healthcare benefits were included. Mr. Gordon stated that if the goal was to get high-paid, high-skilled employees in the State of California, employees in the healthcare industry should receive healthcare.

ACTION: Ms. Roberts moved and Mr. Gordon seconded the Panel approve the One-Step Agreement for GGG/AFC in the amount of \$315,975.

Motion carried, 5 – 0.

IX. DISCUSSION/ACTION

Mr. Filomeo stated these agenda items were deferred until next month's Panel meeting.

X. PUBLIC COMMENT

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

XI. EXECUTIVE SESSION

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

XII. ADJOURN

ACTION: Mr. Lennox moved and Ms. Roberts seconded to adjourn the meeting at 11:00 a.m.

Motion carried, 5 – 0.