

**STATE OF CALIFORNIA
EMPLOYMENT TRAINING PANEL MEETING**

Hilton Burbank Airport & Convention Center
2500 North Hollywood Way
Burbank, CA 91505
September 22, 2006

PANEL MEMBERS

Barry Broad
Acting Chair

Tyrone Freeman
Member

Bob Giroux
Member

Scott Gordon
Member

Edward Rendon
Member

Janice Roberts
Acting Vice-Chair

Johnathan St. John
Member

Executive Staff

Ada Carrillo
Acting Executive Director

Maureen Reilly
General Counsel

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I. PUBLIC PANEL MEETING CALL TO ORDER

Barry Broad, Acting Chair, called the public Panel meeting to order at 9:30 a.m.

II. ROLL CALL

Members Present

Barry Broad
Scott Gordon
Edward Rendon
Janice Roberts
Johnathan St. John

Members Absent

Tyrone Freeman
Bob Giroux

Executive Staff Present

Ada Carrillo, Acting Executive Director
Maureen Reilly, General Counsel

III. APPROVAL OF AGENDA

ACTION: Ms. Roberts moved and Mr. Rendon seconded the Panel approve the Agenda.

Motion carried, 5 – 0.

IV. APPROVAL OF MINUTES

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the Panel Minutes of July 28, 2006.

Motion carried, 5 – 0.

V. REPORT OF THE CHAIRPERSON/PANEL MEMBERS

There were no reports of the Chairperson/Panel Members.

VI. REPORT OF THE ACTING EXECUTIVE DIRECTOR

Ms. Carrillo said that since the Panel last met on July 28, 2006, Senate Bill 1690, authored by Romero, has passed through the Legislature and has been forwarded to the Governor for signature. She said that SB 1690 proposes to allow the Panel to fund the training of seasonal farm workers with the employment retention period being completed in up to a 12 month period of time. She said a similar bill introduced in the prior year session and was vetoed by the Governor. On August 23, 2006, the bill was amended on the Assembly Floor, adding a technical change for EDD to assist them in the calculation of State Disability Insurance. If signed by the Governor, it will go into effect January 1, 2007.

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: Ms. Roberts moved and Mr. St. John 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.

Consent Calendar Projects

Ms. Carrillo asked for a motion to approve Consent Calendar items #1 through #19 which represents contracts with no apparent issues of concern. Mr. St. John asked that Tab #15 be removed from the Consent Calendar, as he had some concerns with the project.

Ms. Carrillo asked for a motion to approve Consent Calendar items #1 through #19 with the exception of Tab #15.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of Consent Calendar Items #1 through #19, with the modification that Tab #15 be removed from Consent Calendar and discussed separately.

Motion carried, 5 – 0.

Mr. Broad said Tab #15 would be the first item to be discussed at the beginning of the review and action on agreements.

Beacon Management, Inc. \$8,712
Brithinee Electric, Inc. \$46,200

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| Ceilings Plus, A Joint Venture..... | \$49,400 |
| Door Components, Inc. | \$64,800 |
| El Clasificado | \$20,240 |
| Electronic Interface Inc., dba Applied Engineering..... | \$160,512 |
| Flight Light, Inc. | \$19,800 |
| General Atomics | \$221,400 |
| Kendall Financial Services..... | \$3,344 |
| NDC Infrared Engineering, Inc. | \$72,576 |
| Pacific Coachworks, Inc. | \$49,920 |
| Quantech Machining Inc. | \$10,400 |
| Shaw Diversified Services, Inc. | \$389,550 |
| The Sedaker Group of Southern California, Inc., dba Direct Buy of West Riverside County | \$49,764 |
| Tyco Thermal Controls LLC | \$99,000 |
| University of San Diego – Division of Continuing Education..... | \$78,700 |
| Uptown Studios..... | \$6,240 |
| Vince’s Office Supply, Inc. dba The Office City | \$131,560 |

VII. REPORT OF GENERAL COUNSEL

Maureen Reilly, General Counsel, informed the Panel that there was no new activity to report.

VIII. JACK KYSER, SENIOR VICE PRESIDENT, CHIEF ECONOMIST

Jack Kyser, Senior Vice President & Chief Economist for the Los Angeles Economic Development Corporation, shared an overview of his mid-year economic forecast for the Los Angeles region. Mr. Kyser indicated that although there is a slow down in economic growth as measured by job growth around Southern California, Riverside and San Bernardino economies are growing rapidly. He said home building is slowing down, but billions of dollars are being invested in major non-residential construction projects.

Mr. Kyser indicated that Aerospace employment has taken a big hit, Orange County has a significant presence from the Boeing Corporation, and there is rapid growth in cargo handling at the ports of Los Angeles/Long Beach. He pointed to many lay offs in the motion picture and TV production industry and stated that the hotel industry is doing extremely well in Southern California. Mr. Kyser highlighted significant economic issues in Southern California: K-12 school quality; land use issues; demographic shifts in workforce for industries; and the business voice missing in Los Angeles County.

IX. REVIEW AND ACTION ON AGREEMENTS AND AMENDMENTS

Mr. Broad said Tab #15, a One-Step Agreement for Southern California Painting & Drywall Industries Apprenticeship Trust would be considered first, which was the item removed

from the Consent Calendar at the request of Mr. St. John. Mr. Broad asked Mr. St. John about the issue he is raising on the proposal. Mr. St. John was concerned because it is a pre-apprenticeship program. He said the bulk of training seems logical with the exception of three components listed under business skills: Teambuilding Skills, Leadership Skills and Customer Service Skills. Mr. St. John invited comments by Panel members for clarification of the skills. Mr. Broad encouraged staff discussion. Ms. Carrillo said the pre-apprenticeship training accepts unemployed workers and some welfare-to-work trainees. She said that Teambuilding, Leadership and Customer Service skills are basic skills required for employees to effectively work with other individuals. She said that ETP has funded these components in previous pre-apprenticeship programs and said they are reasonable business skills to be included in the contract.

Mr. Rendon said many of these programs identify workers that have multiple barriers and agrees the curriculum is appropriate in terms of ensuring that there is success in skill sets, a potential career, retention, and career ladders. Mr. Rendon agreed the three job skills in question were appropriate.

Mr. Broad said the three skills in question are appropriate as long as staff agrees that the amount of hours are appropriate for unemployed training programs or especially welfare-to-work programs where individuals may have very limited experience in the job market.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of Consent Calendar Item #15, with no modifications, for Southern California Painting & Drywall Industries Apprenticeship Trust, in the amount of \$224,172.

Motion carried, 5 – 0.

Single Employer Contractors

National Semiconductor Corporation

Creighton Chan, Manager of the Foster City Office, presented a One-Step Agreement for National Semiconductor Corporation (National Semiconductor), in the amount of \$1,998,000. National Semiconductor designs, develops, manufactures and markets a wide range of semiconductor products, most of which are analog or mixed-signal integrated circuits. National Semiconductor's products feature audio and operational amplifiers, interface technologies, data converters, and power management solutions. Applications for these products include cellular handsets, video displays, and electronics used in medical, automotive, and test and measurement devices.

Mr. Chan introduced David Kirjassoff, Director.

There were no questions from Panel Members.

ACTION: Ms. Roberts moved and Mr. St. John seconded approval of the One-Step Agreement for National Semiconductor in the amount of \$1,998,000.

Motion carried, 5 – 0.

Sealy, Inc.

Mr. Chan presented a One-Step Agreement for Sealy, Inc. (Sealy), in the amount of \$324,000. Sealy manufactures and markets a broad range of mattresses and foundations under the Sealy, Sealy Posturepedic, Stearns & Foster, and Bassett brand names. The company's customers include sleep shops, furniture and department stores, warehouse clubs, and mass merchandisers, as well as the hospitality industry.

Mr. Chan introduced Tamlin Ferguson, Western Region Vice President of Operations and Steve Abbott, Vice President of The IM Group.

There were no questions from Panel Members.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for Sealy in the amount of \$324,000.

Motion carried, 5 – 0.

Stryker Endoscopy

Mr. Chan presented a One-Step Agreement for Stryker Endoscopy in the amount of \$486,972. Stryker Endoscopy offers a broad range of products used in minimally invasive surgery in operation room environments. Its products combine voice activation, infrared technology and high definition capture and display devices creating fully integrated operating rooms that are used in sports medicine, arthroscopic, and laparoscopic surgical procedures to treat medical conditions such as osteoarthritis, fracture, back injury, spinal surgery, and joint replacement.

Mr. Chan introduced Jeff Batuhan, Human Resources Manager and Ben Zimmerman, Accounting Management.

Ms. Roberts said Mr. Batuhan noted their last contract was successful, but she pointed out that in the prior contract; there was only a 47 percent reimbursement rate. Mr. Batuhan said they had many temporary workers trained for which they could not receive reimbursement. Ms. Roberts asked about the wages that advanced technology trainees would receive upon completion of training. Mr. Batuhan said it varied, between production associates earning \$20.00 per hour and IT individuals earning \$80,000 to \$100,000 per year. Ms. Roberts asked if the employees earning the \$12.90 wage received the high-technology wages. Mr. Batuhan said employees who started at the \$12.90 wage were not receiving the high-technology wages.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the One-Step Agreement for Stryker Endoscopy in the amount of \$486,972.

Motion carried, 5 – 0.

Progressive Casualty Insurance Company

Ruby Cohen, Manager of the Sacramento Office, presented a One-Step Agreement for Progressive Casualty Insurance Company (Progressive Casualty), in the amount of \$391,950. Progressive Casualty offers insurance covering the ownership and operation of private passenger automobiles, commercial automobiles, motorcycles, boats and personal watercraft, recreation vehicles, Segway Human Transporters, and other personal-use motorized vehicles.

Ms. Cohen pointed out a couple of corrections to the Memorandum in the Panel packet. She noted that under Tab #23 on page 2 in the last paragraph, the correct number of company employees who would receive training is 390, not 450. She also pointed out the correction on page 5, under contracting conditions/turnover, #1; the turnover ceiling of 25 percent is for the last 12 months of the contract, not the calendar year 2006, as stated.

Ms. Cohen noted that instead of a waiver, staff recommends modifying the benchmark from 20 to 25 percent, along with 2 other conditions designed to reduce turnover and improve job stability. In all, this would be a total of three contracting conditions: 1) Set a turnover ceiling of 25 percent for the last 12 months of the contract which, if surpassed, would result in forfeiture of the final payment; 2) Establish the final payment at 35 percent of payment earned instead of the usual 25 percent; and 3) Impose a 120-day retention period instead of the usual 90-day period.

Ms. Cohen introduced Kathy Copeland, Call Center Director and Brooke Perez, Manager of Deloitte Tax LLP.

Mr. Broad said that he has reviewed the proposal and that typically, for companies that are not meeting turnover requirements, it is expected that requirements are met on any proposals presented thereafter. Through staff negotiations regarding conditions placed on this project, Mr. Broad is willing to support this project. He would like to see the company collect the 100 percent and not lose the 35 percent, and encouraged that companies lower their turnover and create more stable jobs. He explained that the reason that the general policy is in place for turnover rates, is that the Panel does not want to fund training in industries where there is numerous turnover and companies are not creating a stable workforce where individuals are advancing up the career ladder.

Ms. Roberts asked for clarification of the training and if the training was computer-based only training. Ms. Copeland said that approximately 25 percent of the total training is computer-based and the remaining 75 percent is instructor led training. Ms. Roberts asked about the previous 30 percent turnover rate and what the company is doing to reduce the turnover rate in this contract. Ms. Copeland said they have lost 200 employees over the last several years due to low volume. She said that every time they hire in large groups, the infrastructure grows, which results in a decrease in advancement. She said the job has changed and is much more complex.

She noted that in June 2006, they created a new-hire screening test called a simulation in order to recruit the right employees from the beginning. Progressive Casualty is training

current employees due to more complex calls received in the call center. She said they are piloting screen capture, and are currently recording 100 percent of their calls. She explained that when calls are audited and recorded, screen capture allows supervisors to follow through the screens that the representatives are accessing in the system during a call; because staff does not know why representatives cannot solve some calls. Ms. Copeland noted the changing work ethic in the company. She said they used to conduct organizational effectiveness surveys once a year, and through the surveys they realized that needs and requests of the new workforce are different. Every quarter they are required to create action plans. She said the younger employees are requesting a more flexible work place, but said it is difficult to offer flexible work hours in a call center environment.

Ms. Roberts asked how many of the customer service representatives are the percentage of the high turnover rate. Ms. Copeland said the high turnover rate is from the customer service representatives' occupation. Ms. Roberts asked what percentage of the total 390 employees are in the customer service representative occupation. Ms. Copeland said approximately 75 percent are customer service representatives. Ms. Roberts asked where customer service representatives advanced to after completion of training. Ms. Copeland said they conduct exit interviews, and shows that most customer service representatives' trainees decide to work in different areas than call centers. Mr. Broad asked why employees were typically unhappy in a call center environment and if it was typical of the industry. Ms. Copeland said the lack of flexibility in a call center environment is one of the factors. Mr. Broad asked if this is a demographic problem and if most employees were of child bearing years with small children. She said that 75 percent of the workforce is female. Ms. Copeland said another problem is that most calls coming in are upset callers. She said that many employees leave call centers due to lack of job advancement. She said Progressive Casualty created a system called optimal scheduling. Representatives can request time off on a daily basis. She said the system is called green alerts and there are individuals monitoring the green alerts all of the time. If call volume is low, employees requesting to leave early for that day through the green alerts system may be granted an early release. Ms. Copeland said flexibility seems to be more important to employees than the amount of money they are receiving. She said that some employees choose not to advance in a job because it might require a change in their schedules.

Ms. Roberts asked about the administration of the project and if Deloitte was involved with the administration. Ms. Copeland said they administer the project themselves, and employ a training manager. She said they have a rewards and recognition program.

ACTION: Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for Progressive Casualty in the amount of \$391,950.

Motion carried, 5 – 0.

Fremont Investment & Loan

Diana Torres, Manager of the San Diego Office, presented a One-Step Agreement for Fremont Investment & Loan (Fremont), in the amount of \$975,000. Fremont originates and acquires commercial and residential real estate loans sold through a brokerage network.

Ms. Torres introduced Rick Daly, Vice President of Corporate Learning and Development and Bob Lake, Assistant Vice President of Learning.

There were no questions from Panel Members.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the One-Step Agreement for Fremont in the amount of \$975,000.

Motion carried, 5 – 0.

Veterinary Pet Insurance Company

Ms. Torres presented a One-Step Agreement for Veterinary Pet Insurance Company (VPI), in the amount of \$472,500. VPI is a California licensed insurance company providing accident and health insurance policies for dogs, cats, birds, and other exotic pets nationwide. The company also operates a service for its policyholders that includes pet identification and a registry for lost animals.

Ms. Torres introduced Lorin Young, Vice President of Administration and Claudia Mino, Organization Design & Development Manager.

Ms. Torres noted that in the menu curriculum under business skills, advanced telephone skills should be removed from the curriculum.

There were no questions from Panel Members.

ACTION: Mr. Rendon moved and Mr. St. John seconded approval of the One-Step Agreement for VPI in the amount of \$472,500.

Motion carried, 5 – 0.

Crane Aerospace and Electronics

Dolores Kendrick, Manager of the North Hollywood Office, presented a One-Step Agreement for Crane Aerospace and Electronics (Crane), in the amount of \$528,768. Crane is a manufacturer of aircraft parts and auxiliary equipment.

Ms. Kendrick introduced Rick Lee, Vice President of Human Resources; Christian DeSario, HR Business Partner; and Steve Abbott, Vice President of the IM Group.

There were no questions from Panel Members.

ACTION: Mr. St. John moved and Ms. Roberts seconded approval of the One-Step Agreement for Crane in the amount of \$528,768.

Motion carried, 5 – 0.

Fortune Fashion Industries LLC

Ms. Kendrick presented a One-Step Agreement for Fortune Fashion Industries LLC (FFI), in the amount of \$315,000. FFI is an apparel manufacturing company.

Ms. Kendrick introduced Jack Fiedler, Chief Financial Officer.

Mr. Broad asked how FFI maintains such a low turnover rate for the fashion industry. Mr. Fiedler said they have 500 permanent workers and use temporary agencies to fill in as volume adjusts.

Ms. Roberts asked who will provide the Microsoft Dynamics training. Mr. Fiedler said an outside third party will train FFI managers and the managers will then train their employees. Ms. Roberts asked about language barriers in the workforce. Mr. Fiedler said as the training will be conducted in both English and Spanish, no language barriers are expected.

Mr. Gordon asked about the percentage of employees who earn \$13.00 per hour and how much they would earn after completion of training. Mr. Fiedler said those employees are learning new skills, but training did not guarantee a raise in wages. He said some may receive a cost of living increase or a raise over the next two years, but was not specifically correlated. He added that most employees under the Design Artist occupation earn \$15.00 to \$16.00 per hour at the completion of training. Mr. Gordon asked how many employees fall under the Design Artist occupation. Mr. Fiedler said there are 25 employees under this occupation with additional support help. He said they purchased \$6 million worth of new printing equipment due to increased growth.

Mr. Rendon asked about employee benefits, bonuses and the Employee Recognition Plan. Mr. Fiedler said through Worker's Compensation they were self funding over the last couple of years and held seminars, awarded bonuses to departments that did not have any claims or reduced claims, and recognition for employees or departments for increased performance. Mr. Rendon asked if there were any monetary bonuses. Mr. Fiedler said occasionally gift cards were given to employees. He said the bonuses and Employee Recognition Plan contributed to the low turnover in their industry.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for FFI in the amount of \$315,000.

Motion carried, 5 – 0.

Sony Pictures Entertainment, Inc.

Ms. Kendrick presented a One-Step Agreement for Sony Pictures Entertainment, Inc. (SPE), in the amount of \$403,560. SPE produces and distributes motion picture and television programming and related products.

Ms. Kendrick introduced Richard Hopfer, Senior Vice President and Chief Information Officer and Cathy Daoust, Director of Development & Learning/Information Technology. Mr. Broad asked who the direct contact would be for this agreement. Mr. Hopfer said Ms. Daoust was in charge of development and learning and will be directly responsible for this project. Mr. Broad said it was the first time where the HR department was not involved. Mr. Hopfer said he was disappointed that the HR department was not involved in the development of the project. Mr. Broad said this was the second chance for this proposal to succeed and he did not foresee any problems.

Mr. Gordon asked if training was outsourced. Mr. Hopfer there is some outsourcing of training and that Ms. Daoust's department is responsible for overseeing the outsourcing training. He said there are some full-time trainers on her staff that do not work for Sony Pictures. He added that Ms. Daoust would recruit trainers, if needed, for specific training.

Mr. Gordon asked if outsourced trainers were initially assessed and if the instructors received continued education. Ms. Daoust answered in the affirmative to both questions.

ACTION: Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for SPE in the amount of \$403,560.

Motion carried, 5 – 0.

Cottage Bakery, Inc.

Ms Cohen presented a One-Step Agreement for Cottage Bakery, Inc. (Cottage Bakery), in the amount of \$819,000. Cottage Bakery is an established manufacturer and distributor of bakery goods.

Ms. Cohen said Cottage Bakery requests a waiver of the ETP minimum wage for 100 working poor employees. Working poor are newly hired, have significant barriers to employment such as limited education, insufficient communication skills and lack essential job skills. She said the minimum wage at the start of training will be \$9.40 per hour. Each trainee's post-retention wage will be in excess of \$10.06 per hour and if the trainee's accept company paid health benefits, they could earn a maximum of \$12.69 per hour.

Ms. Cohen introduced Bart Spence, Director of Human Resources.

Mr. Broad asked if the waiver request was for the 100 employees under Job Number 2 only. Mr. Spence answered in the affirmative. Mr. Broad asked if Cottage Bakery was willing to increase the retention period from 90 days to 120 days for those employees. Mr. Spence agreed to the increase of the retention period to 120 days.

Ms. Roberts asked which city Cottage Bakery is located in. Mr. Spence said Cottage Bakery is located in Lodi, California. Ms. Roberts commented on the turnover rate and the company being located in a high unemployment area, and the lack of individuals trying to

obtain jobs due to the high unemployment area. Ms. Roberts agreed with Mr. Broad on the increase of the retention period.

Mr. Gordon asked about new-hire packets and training language outlined for new employees. Mr. Spence said Cottage Bakery has a very detailed orientation that involves lots of exposure to exactly what is to be expected of them. Mr. Gordon asked if employees were assessed for learning disabilities such as language barriers upon being hired. Mr. Spence said they assess new employees for possible language barriers.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for Cottage Bakery in the amount of \$819,000 with the modification that the retention period will increase from 90 days to 120 days for the 100 employees under Job Number 2.

Motion carried, 5 – 0.

Multiple Employer Contracts

Goodwill Industries of Santa Clara County

Mr. Chan presented a One-Step Agreement for Goodwill Industries of Santa Clara County (Goodwill SV), in the amount of \$210,500. Goodwill SV provides training and job placement services for the unemployed and under-employed in Santa Clara and San Benito counties.

Mr. Chan introduced Trish Dorsey, Managing Director of Workforce Development.

Mr. Broad said he was pleased that Goodwill SV was offering the Welfare-to-Work (W2W) program.

Mr. St. John asked if Goodwill SV currently has an active project open with ETP. Ms. Dorsey said there is currently a contract open that was awarded in April of 2006 and that this project is a separate W2W program. Ms. Carrillo explained that it made more sense to have a separate contract since the W2W program is so distinct. Mr. Broad agreed it was a good idea to have a separate contract and is striving for a high success rate. He said what distinguishes between ETP and other W2W training programs, is that there is a guaranteed job at the completion of training. Ms. Roberts commended Ms. Dorsey for taking the Panel's suggestion in April 2006 in accepting the W2W pilot and recognized the time invested in re-writing the W2W contract. Ms. Dorsey thanked Ms. Roberts and said that Goodwill SV is very excited about the W2W program.

ACTION: Mr. Gordon moved and Ms. Roberts seconded approval of the One-Step Agreement for Goodwill SV in the amount of \$210,500.

Motion carried, 5 – 0.

Oxman College

Mr. Chan presented a One-Step Agreement for Oxman College (Oxman), in the amount of \$479,990. Oxman is a private, post-secondary and vocational school that specializes in developing and providing customized training programs for California employers.

Mr. Chan noted this was a resubmittal of a proposal, which was first presented to the Panel at the April 2006 Panel meeting. The following changes has been made to the revised proposal: 1) the new-hire portion is only for the San Francisco Bay Area and Oxman is willing to place retention at \$11.00 per hour including health benefits and 2) include a W2W component to the proposal which will place retention at \$11.00 per hour at the end of the retention period for the San Francisco Bay Area only.

Mr. Chan introduced Michael Dvorkin, President and Velma Gaines-Miller, Director of Public Relations.

Mr. Broad thanked Oxman for working with the staff in preparing a revised proposal.

ACTION: Mr. Gordon moved and Mr. St. John seconded approval of the One-Step Agreement for Oxman in the amount of \$479,990.

Motion carried, 5 – 0.

HCM Health Care Inc. dba Health Care Management

Ms. Cohen presented a One-Step Agreement for HCM Health Care Inc. dba Health Care Management (Health Care Management), in the amount of \$306,000. Health Care Management manages accounts, payroll, audits, business and nursing processes, clinical nursing, human resources, and consulting support services for the chain of eleven health care facilities.

Ms. Cohen introduced Arden Bennett, President and CEO and Sheila Chesanow, R.N. and Vice President of Professional Services.

Mr. Broad asked about the reference to trainee costs paid by trainees. He asked if trainees are enrolled in a community college. Ms. Chesanow said trainees will be enrolled in a community college at the start of training. Mr. Broad asked if trainees are paying for their community college fees. Ms. Chesanow said trainees are from both community colleges and private colleges. She said after researching, there was a difference for the same program essentially. Mr. Broad asked what Health Care Management offers that is distinct from community colleges. Ms. Chesanow said the trainees are current Health Care Management employees in the CNA occupation that are seeking to advance to LVNs. Mr. Broad asked if all of the facilities listed in the agreement are owned by Health Care Management. Ms. Chesanow answered in the affirmative.

ACTION: Ms. Roberts moved and Mr. St. John seconded approval of the One-Step Agreement for Health Care Management in the amount of \$306,000.

Motion carried, 5 – 0.

Sacramento Employment and Training Agency

Ms. Cohen presented a One-Step Agreement for Sacramento Employment and Training Agency (SETA), in the amount of \$1,067,560. SETA is a joint-powers agency of the City and County of Sacramento under the direction of Sacramento Works, Inc., Workforce Investment Board (WIB).

Ms. Cohen introduced William Walker, Department Manager of Sacramento Works; Gisela Weissman, Employment Services Supervisor of Sacramento Works; and David Vice, President of Tech Skills of Sacramento.

There were no questions from Panel Members.

ACTION: Mr. Gordon moved and Ms. Roberts seconded approval of the One-Step Agreement for SETA in the amount of \$1,067,560.

Motion carried, 5 – 0.

Sterling Alliance, Inc., dba CCT Computer Learning Center

Ms. Cohen presented a One-Step Agreement for Sterling Alliance, Inc., dba CCT Computer Learning Center (CCT), in the amount of \$229,320. CCT is a small training school located in Weaverville, California, providing on-site customized computer skills training.

Ms. Cohen introduced David Clark, CEO.

Ms. Roberts asked how much an employer who would like to send their employee to CCT would pay out of pocket for the training. Mr. Clark said employers could not send employees to CCT. He said there is no computer training center to which a participant in this contract could send someone. He explained employers would have to conduct the training at the workplace. Ms. Roberts asked how much the employers pay for workplace training. Mr. Clark said the employer must pay the employee while they are in training and that attendance is mandatory. Ms. Roberts asked if the employer pays the trainee's wages and then CCT pays for the cost of providing the training. Mr. Clark said CCT provides the training and occasionally provides computers which are commonly donated and out of date, but sufficient to provide the training.

Mr. Gordon asked if CCT was an association. Mr. Clark said CCT was not an association. Mr. Gordon referred to the group of employers defined in the agreement. Mr. Clark said that they are participating employers.

Mr. Gordon asked about CCT's previous contracts with ETP and if the program is successful. Mr. Clark said he has heard reports from both employers and trainees. He said that comments were that ETP is the most likeable State program that they have had the opportunity to participate in. He said that some employers have reported an increase in payroll and one employer said he is still in business due to the ETP program.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for CCT in the amount of \$229,320.

Motion carried, 5 – 0.

Comprehensive Training Systems, Incorporated

Ms. Torres presented a One-Step Agreement for Comprehensive Training Systems, Incorporated (CTS), in the amount of \$286,595. CTS is eligible to provide ETP training as a repeat public training agency with a history of providing training and placement services to the public. Ms. Torres stated this is a Welfare-to-Work (W2W) Pilot Program.

Ms. Torres introduced Linda Blair-Forth, President and CEO.

Mr. Broad thanked Ms. Blair-Forth for willingly embracing the W2W Pilot Program and working with staff. He encouraged that the company communicate any problems that arise or any suggestions they may have throughout the term of the contract.

ACTION: Ms. Roberts moved and Mr. Rendon seconded approval of the One-Step Agreement for CTS in the amount of \$286,595.

Motion carried, 5 – 0.

Community Career Development, Inc.

Ms. Kendrick presented a One-Step Agreement for Community Career Development, Inc. (CCD), in the amount of \$442,440. CCD is a community-based organization that engages in a wide range of workforce development activities and operates the Wilshire-Metro WorkSource Center.

Ms. Kendrick introduced Gloria Moore, Executive Director.

There were no questions from Panel Members.

ACTION: Mr. St. John moved and Mr. Rendon seconded approval of the One-Step Agreement for CCD in the amount of \$442,440.

Motion carried, 5 – 0.

Community Career Development, Inc.

Ms. Kendrick presented a One-Step Agreement for Community Career Development, Inc. (CCD), in the amount of \$236,965. CCD is a community-based organization established in May 1972. It engages in a wide range of workforce development activities and operates the Wilshire-Metro WorkSource Center.

Ms. Kendrick stated this is a W2W project and the project is separate in order to track the progress independently. She said the LVN program begins in March 2007 and the W2W program would have an effective date of October 2006. In order to utilize the full training time for each project, there was a need to keep the projects separate. Ms. Kendrick explained this project has the same company representative, Gloria Moore, as the previous CCD project.

Ms. Roberts asked staff if there was a cap on W2W projects and if there was a specified amount allowable for W2W projects in a year. Ms. Carrillo said the Strategic Plan allows for up to \$2 million dollars per year for W2W projects. Ms. Roberts asked about the dollar amount used so far this year, in W2W projects. Ms. Carrillo said the W2W funding thus far amounted to approximately \$1 million.

ACTION: Mr. Gordon moved and Ms. Roberts seconded approval of the One-Step Agreement for CCD in the amount of \$236,965.

Motion carried, 5 – 0.

J & R Film Co., Inc., dba Moviola Education Center

Ms. Kendrick presented a One-Step Agreement for J & R Film Co., Inc., dba Moviola Education Center (Moviola), in the amount of \$745,000. Moviola is a private, for profit, training and educational center.

Ms. Kendrick introduced Paul Stephan, Director.

Mr. Rendon commended Moviola for their high completion rate in their previous project.

ACTION: Mr. Gordon moved and Mr. Rendon seconded approval of the One-Step Agreement for Moviola in the amount of \$745,000.

Motion carried, 5 – 0.

Riviera, Inc., dba The Enterprise U

Ms. Kendrick presented a One-Step Agreement for Riviera, Inc., dba The Enterprise U (The Enterprise U), in the amount of \$301,600. The Enterprise U is a for-profit corporation formerly known as Reisgen, Inc., dba Contracted Computer Training Learning Solutions. Ms. Kendrick introduced Winny Ho, Executive Director. There were no questions from Panel Members.

ACTION: Mr. Rendon moved and Ms. Roberts seconded approval of the One-Step Agreement for The Enterprise U in the amount of \$301,600.

Motion carried, 5 – 0.

X. REVIEW AND ACTION ON REGULATIONS

Maureen Reilly, General Counsel, directed Panel Members to the Regulations tab in the Panel packet. She said that there are three regulatory actions proposed for the Panel's review. She reserved comments on the proposed amendment regarding frontline workers. Turning to page 2 at the Regulations tab, Ms. Reilly addressed the proposed repeal of Section 4425 on Structured On-Site Training (SOST). She said the Panel has not been funding SOST for quite some time based on the moratorium that was placed in August 2002. She said this was based on a research study identifying certain problems with monitoring SOST, and the Panel's decision that this was not the best use of funding. She said if the Panel determines it would like to start SOST again, it would be best to "start fresh" with the regulation. For this reason, she said, Section 4425 is unnecessary.

Ms. Reilly referred to the next regulation set for repeal, Section 4441.5 on Training Schedule. She said this requires a detailed rollout schedule for the first six months of training, to be made available by the contractor at the start of training and updated throughout the project. She said this goes against the concept of having flexibility during the course of a training project, which is accomplished through current procedures whereby staff works closely with employers and training agencies to develop and monitor a realistic schedule. For this reason, she said, Section 4441.5 is unnecessary and potentially confusing.

Next, Ms. Reilly asked to withdraw the proposed amendment of Section 4400(ee) defining Frontline Worker, based on the need for further research concerning the interplay between the Panel's statutory standard (direct production of goods or delivery of services) and labor law criteria for determining exempt or non-exempt status (primary job duties, independent judgment).

Mr. Broad clarified that Section 4400(ee) Frontline Worker, would be withdrawn and presented to the Panel on the agenda at a future meeting.

Proposed Repeal of Section 4425, SOST

ACTION: Ms. Roberts moved and Mr. Gordon seconded that the Panel repeal T.22, C.C.R., Section 4425, SOST.

Motion carried, 5 – 0.

Proposed Repeal of Section 4441.5, Training Schedule

ACTION: Ms. Roberts moved and Mr. St. John seconded the Panel repeal Section 4441.5, Training Schedule.

Motion carried, 5 – 0.

XI. PUBLIC COMMENT

Steve Duscha, Alliance for ETP, was in full agreement with all of the recommendations made on all of the regulations by General Counsel, Maureen Reilly.

Mr. Gordon commented that wages are low on the W2W projects, making it difficult for the Panel to approve these projects. He suggested making a motion to have a subcommittee follow up with the W2W projects after a period of time and report back to the Panel on how these programs are moving forward, and helping to resolve issues that arise. Mr. Broad suggested that staff give the Panel a progress report on the W2W projects, but said that since the Panel has recently begun funding the projects and the training has not yet occurred, he suggested a first progress report in approximately January 2007. Ms. Carrillo suggested that the first progress report be done at the March meeting, which will also be in time for the budget hearings. She said by then, hopefully some trainees will have completed training and begun their employment. She said staff also expects that once a contract is completed, a follow up study of trainees' employment will be conducted. Mr. Gordon said that would be more than adequate and he thanked staff for their thorough work on the W2W projects.

XII. ADJOURNMENT

ACTION: Ms. Roberts moved and Mr. St. John seconded to adjourn the meeting at 12:15 p.m.

Motion carried, 5 – 0.