

Employment training panel

STRATEGIC PLAN

2008-2009



THE EMPLOYMENT TRAINING PANEL

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APPENDIX

Assessment of Progress on ETP's 2007-2008 Goals and Objectives

A. Vision and Mission Statements

VISION:

The Employment Training Panel (ETP) will support economic development in California through strategic partnerships with business, labor, and government.

MISSION:

ETP provides financial assistance to California businesses to support customized worker training to:

- ◆ *Attract and retain businesses that contribute to a healthy California economy;*
- ◆ *Provide workers with secure jobs that pay good wages and have opportunities for advancement;*
- ◆ *Assist employers to successfully compete in the global economy; and*
- ◆ *Promote the benefits and ongoing investment in employee training among employers.*

B. Introduction

Fulfilling Its Mission

Established in 1982, the Employment Training Panel (ETP) has proven itself for more than 25 years, as one of the State's key economic development programs. As California's only employer-driven training program to support training for incumbent and unemployed workers, ETP differs from other workforce development organizations whose emphasis is on pre-employment training. ETP fulfills its mission supporting industry-specific training for incumbent workers, and the creation of high-wage, high skill jobs to ensure California businesses have the skilled workers they need to compete globally.

A skilled workforce is key to a company's ability to remain competitive. Employers must be able to effectively train workers and to maintain a skilled workforce capable of responding to changing business and industry needs. While the need for workforce training is critical, businesses generally reserve training dollars for training in highly technical and professional occupations – limiting investment in training for frontline workers who actually produce/manufacture goods and deliver services. ETP helps to fill this gap - funding training that is targeted to frontline workers.

ETP funding works because it is predicated on simple, highly effective principles:

- Employers make decisions about the training program. Employers are involved in every aspect of training. Companies assess their workforce training needs, customize curricula to address the specific needs of their business, and implement and administer the training. ETP-funded training is driven by employers.
- Training investments help companies become more profitable, so companies are encouraged to share that profit with workers involved in training. ETP contracts promote wage increases and require employers to retain trained workers for specific periods in order to earn ETP funds.
- Employers are encouraged to assume greater risk and responsibility for training. ETP reimburses contractors based on flat rates. Companies must pay the difference between ETP reimbursement and their actual training costs. As training costs increase, companies pay a larger percentage of the training costs.
- Performance-based contracting ensures success. A business may earn ETP funds only after a trainee completes all training, and a subsequent employment retention period (normally 90 days) at a required wage, in a job using the skills they learned in training. Other performance requirements specified in each training contract ensure that each stakeholder – the company, the worker, and ETP – shares responsibility for expanding the amount of high-wage, high-skill employment in California.

- ETP funding is a catalyst for future workforce training. Employers who participate in ETP-funded training, and experience the benefits of training are more likely to invest in future workforce training. The ETP experience invests businesses in the concept of workforce training, providing them practical knowledge and tools to successfully implement a training plan.

ETP's role in the economy has evolved from its initial mandate in 1982 of moving large numbers of unemployed workers quickly into employment, and saving the jobs of workers threatened with displacement. The program has since taken on an increased economic development focus in support of retraining incumbent workers of businesses in basic industries challenged by out-of-state competition (primarily the manufacturing and high technology sectors). Today, ETP is focused on its emerging economic role of supporting business attraction, retention and expansion, and job creation throughout the State.

ETP also keeps pace with critical economic initiatives and workforce priorities, by supporting training for populations such as ex-offenders/at-risk youth, veterans, and workers impacted by the downturn in the housing market.

ETP accomplishes its mission without impacting the State's General Fund. ETP's programs are funded by a special employment training tax paid by California companies to promote the development of an improved State workforce. Only those employers subject to this tax can directly benefit from ETP-funded training.

Overview of Organization

ETP is one of several Departments within the Labor and Workforce Development Agency (LWDA). The Labor Agency is led by a Cabinet-level Secretary and encompasses ETP, the Department of Industrial Relations (DIR), the Employment Development Department (EDD), the Agricultural Labor Relations Board (ALRB), and the California Workforce Investment Board (CWIB). ETP retains its autonomy under LWDA, and continues to independently act on proposals for funding, and in setting program policy. The Labor Agency promotes opportunities to collaborate and expand workforce training, particularly in regard to economic development.

ETP is governed by an eight-member Panel. Seven members are appointed by the Governor and Legislative leaders, and the Secretary of Business, Transportation and Housing serves as an ex officio, voting member.

The purpose of the Panel is to act on training proposals, to adopt appropriate program policies and regulations, and to make final determinations regarding appeals decisions made by the Executive Director.

The Governor appoints a Chair to lead the Panel's deliberations. All actions require a quorum of the Panel members and a majority vote of the quorum. The Panel normally meets each month in metropolitan areas throughout the State.

ETP has a professional staff of 88 full-time positions. Approximately one-half of the staff is located in Sacramento, with the remaining staff located in regional offices in San Diego, San Francisco Bay Area, and North Hollywood. ETP staff administers the program statewide by marketing the ETP program; developing, monitoring, and auditing training contracts; and, providing program and administrative support to the Panel.

The staff is led by the Executive Director, who is appointed by the Governor. The Executive Director has the overall authority for administering the program.

Planning For the Future

In recent years, ETP has been faced with reductions in funding and staffing. Thus, ETP's biggest challenge is to determine how to best utilize its available funds and limited staff resources to carry out its mission. The Strategic Plan outlines ETP's strategies for accomplishing its mission in the next fiscal year based on an assessment of the state of the economy, priority industries, ETP's economic development role, employer demand for training, key economic and workforce trends and training needs. The Plan establishes funding priorities, and corresponding goals and objectives to address ETP's challenges and opportunities.

C. Assessment of Prior Year Goals

In 2007-08, ETP approved more contracts than during any previous fiscal year in ETP's history. Through its incremental funding system, ETP approved a total of \$102 million in new contract value for the training of about 83,000 workers. ETP exhausted all available training funds by May 1, 2008, two months prior to the end of the fiscal year. ETP successfully met most of its program goals and objectives established in its Strategic Plan for 2007-08 (see Appendix), including:

- Priority industry proposals comprised 72.7 percent of all approved program funds.
- \$21.2 million was approved for economic development projects resulting in business expansion and attraction, and the creation of over 7,200 new California jobs.
- \$9 million was approved for Career Technical Education (CTE) to assist 6,500 workers in occupations that do not require a four-year college degree to establish and further their careers.
- \$11.8 million was approved for projects training over 13,000 workers at businesses that use Clean Technology to protect the environment.
- \$9 million was approved to train nearly 5,500 nurses in the healthcare industry, including nurse upgrade and capacity building aimed at increasing the number of graduates from nursing programs statewide.
- \$884,500 was approved for the training and job retention of 224 CalWORKs recipients.
- \$17.3 million was approved for training in high unemployment areas (HUA) of the State.
- \$1.3 million was approved for the training of over 400 Ex-Offenders and At-Risk Youth.
- 26 percent more direct contracts with small businesses of 100 or fewer employees were approved than in the previous fiscal year.

Building on this success, ETP will continue to work toward unfulfilled goals and objectives from the prior year, adding new strategies, as outlined in this Strategic Plan for 2008-09.

D. Economic Overview

1) The State's Economy

In 2007 and well into 2008, the California and national economies faced a decline in residential housing and construction, as well as more restrictive lending, volatile financial markets, and rising energy and food prices.¹ Upward resets on subprime mortgage interest rates made payments unaffordable for many borrowers. This situation contributed to mortgage defaults and residential foreclosures rising to record levels. Several financial institutions reported significant losses on subprime mortgages and mortgage backed securities. Uncertainty about mortgages and related securities prompted lenders to tighten credit standards and lending. The Federal Reserve lowered the Federal funds lending rate, but financial institutions continue to face a challenging lending and investment environment.

These economic factors have particularly affected California, as the State's residential housing slump has been deeper than most other states. Single-family housing permits in the third quarter of 2007 were only about one-third of their level in the third quarter of 2005, and existing home sales about half of their level two years ago. Total personal income has held up surprisingly well in California during the housing slump. This broad measure of the economy was 5.8 percent higher than a year earlier in the first half of 2007, which is not much lower than the 6.5 percent growth in 2005 and 2006².

The University of California Los Angeles (UCLA) Anderson Forecast³ predicts California will experience weak growth for the remainder of 2008, but the forecast does not foresee a recession. The Governor's Budget Summary also anticipates slower economic growth in 2008 followed by improved growth in the next two years. The summary anticipates personal income will grow 4.8 percent in 2008, 5.2 percent in 2009, and 5.4 percent in 2010, compared to 5.6 percent in 2007. The summary also predicts Nonfarm payroll employment will increase 0.7 percent in 2008, 1 percent in 2009 and 1.6 percent in 2010, as compared to 0.8 percent in 2007.

Decreased residential housing activity and higher energy prices have taken a significant toll on taxable sales, a broad measure of the economic performance. After growing by 7.4 percent in 2005, taxable sales increased by only 4 percent in 2006, and 0.8 percent in the first three quarters of 2007. Lower vehicle and home improvement sales contributed to the deceleration of sales tax revenue. New vehicle registrations fell 2.3 percent in 2006 and 7.3 percent from a year

¹ Governor's Budget Summary 2008-09 <http://govbud.dof.ca.gov/BudgetSummary/ECO/1249562.html>

² Governor's Budget Summary 2008-09 <http://govbud.dof.ca.gov/BudgetSummary/ECO/1249562.html>

³ Sluggish Economy Close to Recession, March 11, 2008 http://www.uclaforecast.com/contents/archive/media_3_08_1.asp

ago in the first nine months of 2007⁴. Consumers are spending less and slowing their discretionary spending.

Monthly job gains slowed considerably in the State during the first ten months of 2007, averaging just 5,800 new jobs. Gains averaged 20,900 in the first ten months of 2006. The state's unemployment rate increased from 5.0 percent in March 2007 to 7.3 percent in July 2008⁵, the highest level since July 1996.

According to EDD, the UCLA Anderson Forecast states that increases in U.S. exports kept the nation's busiest ports, in Los Angeles and Long Beach, actively moving cargo in 2007.⁶ The decline in the value of the dollar created an international demand for American goods.

The California Department of Finance⁷ predicts the State and national economies will continue to face the same difficulties -- a struggling housing sector, problems in mortgage markets, tighter credit, more volatile financial markets, and high energy prices -- in 2008 and to a lesser extent in 2009, but economic growth should start to pick up in late 2008.

2) Workforce Trends and Training Needs

The Census Bureau estimated nearly 80 million Baby Boomers, or more than 10,000 per day for the next 22 years will be retiring. According to Business Week, 2008 marks the year Baby Boomers are officially eligible to retire, with the first Boomers turning 62 in January⁸. Based on this situation, companies will be facing talent shortages. To address these shortages, many businesses are encouraging Boomers to extend their employment, offering incentives and other work options.

The U.S. Bureau of Labor Statistics (BLS) stated in its Occupational Outlook Quarterly⁹ that science, technology, engineering, and mathematics (STEM) are needed for modern goods and services such as faster aircraft, new video games, better medicines, and other new products and discoveries. Educational requirements for these STEM-based occupations range from a high school diploma and on-the-job training, to a doctorate degree. The occupations pay about 70 percent more than the national average, with indications for continued strong demand for workers with these skills.

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⁴ Governor's Budget Summary 2008-09 <http://govbud.dof.ca.gov/BudgetSummary/ECO/1249562.html>

⁵ Employment Development Department Labor Market Information Division – August 15, 2008 Report [http://www.calmis.ca.gov/file/fhist/cal\\$shlf.xls](http://www.calmis.ca.gov/file/fhist/cal$shlf.xls)

⁶ California Regional Bulletin, Southern California, January 25, 2008 Employment Development Department

⁷ Governor's Budget Summary 2008-09 <http://govbud.dof.ca.gov/BudgetSummary/ECO/1249562.html>

⁸ "To Retire or Not to Retire?", Business Week January 7, 2008,

www.businessweek.com/managing/content/jan2008/ca2008013_652478.htm?chan=s

⁹ "STEM Occupations", www.bls.gov/opub/ooq/2007/spring/art04.pdf

According to the EDD Labor Market Information Division's (LMID) "California Labor Market and Economic Analysis 2007" by LMID-EDD, May 8, 2007, a wide variety of occupations will experience a shortage of skilled workers in the future. Some of the occupations that are projected to have high demand include the following:

- accountants and auditors
- automotive mechanics
- carpenters
- computer engineers
- dental hygienists
- elementary school teachers
- heating and air conditioning technicians
- home health aides

LMID projects that the high-growth industries most critical to the State's economy include:

- advanced manufacturing
- automotive
- biotechnology
- construction
- geo-spatial
- health care
- hospitality
- information technology
- retail
- energy
- financial services
- transportation

Additionally, occupations facing skills gaps include general and operations managers, medical assistants, office clerks, law enforcement officers, registered nurses, secondary school teachers, and truck drivers.

California policies are supporting a new clean and green technology industrial revolution that is creating opportunities for businesses and their employees. Furthermore, ETP is a central participant in a statewide initiative to support economic development in clean and green technology. In 2007, venture capitalists invested \$1.78 billion in California green technology companies. California companies are producing a growing share of green technology patents and numerous energy efficient products and services. According to Next 10's, "California Green Innovation Index"¹⁰, California patents account for 44 percent of all solar patents and 37 percent of all wind technology patents. In addition, since 1990, California green businesses have grown by 84 percent and employment in these businesses have doubled¹¹.

3) California's Key Industries

In its most recent overview of the State's economy, the California Economic Strategy Panel (ESP) (a bipartisan board established in 1993 to develop an economic vision and strategy to guide public policy) identified industry sectors and clusters that comprise the State's economic base.¹² The ESP's identification

¹⁰ Next 10, May 2008, http://www.next10.org/pdf/GII/Next10_FullFindings_EN.pdf

¹¹ Governor's Press Release, May 20, 2008, <http://gov.ca.gov/index.php?print-version/press-release/9665>

¹² "California Economic Profile: A Statewide Overview and Regional Analyses December 2007", Employment Development Department, Labor Market Information Division.

and analysis of the industry sectors and clusters comprising the State's economic base serves as a foundation for developing both statewide and regional workforce training strategies. ETP considered this research and analysis in determining the following priority industries for funding and targeting marketing to those sectors.

- **Manufacturing** - Manufacturing is one of the most basic industries in any economy, and growth in manufacturing produces greater growth in the other industries that all depend upon manufacturing to supply products to them. Manufacturing has the greatest multiplier effect (ability to positively impact other industries) of all industries.
- **Goods Movement and Transportation Logistics** - A healthy economy in California, as well as the rest of the nation, depends on a complex manufacturing supply chain. Manufacturing has become part of a global value chain of interdependent business functions. Research shows that transportation logistics in California has four key sub-sectors: transportation services; logistics support; warehousing and storage; and supply chain management.¹³ Transportation services involve goods movement by truck, water, air, or railroad. Logistics support includes air traffic control, navigation services for ships, freight, and packing. Supply chain management provides operating advice and assistance in productivity, inventory, quality and planning. The EDD Labor Market Information Division projects the greatest growth in the industry cluster will be in design and logistics from 2004 to 2014.
- **Biotechnology and Life Sciences** - California remains a global leader in biotechnology and medical technology. High job growth is projected in biotechnology and life sciences. Scientific research and innovation results in critical discoveries in the State's biotech laboratories. Most California biotech jobs are located in four regions: San Diego, Los Angeles/Orange, the San Francisco Bay Area, and Sacramento/Stockton. An estimated 100,000 workers are employed by California's biotechnology firms. It is projected that by 2015, the industry will employ up to 250,000 workers. Further, the "job multiplier" for biotechnology is about 1.9, which means that almost 2 additional jobs are created elsewhere in the economy for every job created in biotech.¹⁴
- **Information Technology Services** - All industries are undergoing an increased need to utilize information technology to ensure competitiveness in the new world economy. The McKinsey Global Institute found recently that there is a relationship between IT and productivity.¹⁵ For example, the agricultural industry is becoming high tech, as it turns to sophisticated tools to assist in growing crops and tending livestock. The Modesto Bee reported that

¹³2005 California Regional Economies Project, 'Logistics and Manufacturing Value Chains: Meeting The Workforce And Infrastructure Demands Of A "Real Time" Economy', July 2005 www.labor.ca.gov/panel/pdf/logmanufvalue.pdf

¹⁴"Under the Microscope, Biotechnology Jobs in California", EDD, LMID (June 2004, with December 2007 update)

¹⁵"U.S. Productivity Growth, 1995-2000", October 2001 www.mckinsey.com/mgi/publications/us/index.asp

growers are seeking more efficient ways to run their operations, as water issues, rising energy costs, and global competition threaten their livelihood. A new device on the market is an instrument that measures soil-moisture levels by way of wireless sensors. The data is analyzed and presented on a web-based interface, allowing time savings for farmers.¹⁶

Information Technology Service is a fast growing sector in the national economy. Employment in computer systems design and related services will grow by 38.3 percent and add nearly one-fourth of all new jobs in professional, scientific and technical services, according to the U.S. BLS.¹⁷ BLS also projects excellent employment opportunities in the industry as demand for computer-related occupations increases, due to rapid advances in computer technology, continuing development of new computer applications, and the growing significance of information security.

- **Clean and Green Technology** - California is at the forefront of supporting the benefits and growth of clean and green technology industries. In addition to clean and green technology manufacturing, some particularly crucial businesses in this field include:
 - Facilities that convert solar, wind, and tidal power into electrical energy;
 - Companies engaged in the merchant wholesale distribution of automotive scrap, industrial scrap, and other recyclable materials;
 - Environmental consultants that advise organizations on environmental issues, such as the control of environmental contamination, toxic substances, and hazardous materials;
 - Remediation and clean up services that address contaminated buildings, mines sites, soil, or ground water;
 - Facilities that sort recyclable materials from nonhazardous waste or facilities where commingled recyclable materials are sorted into distinct categories, and
 - Organizations primarily engaged in promoting the preservation and protection of the environment and wildlife.
- **Multimedia/Entertainment** - Multimedia/Entertainment, along with the motion picture industry, remains a staple of the State's economy, providing high-wage, high-skill employment, in jobs with significant multiplier effects on the economy.
- **Healthcare** - Healthcare is one of the State's highest growth industries. The healthcare industry reflects the demands of a growing and aging population. LMID projects nursing is one of the State's top ten fastest growing skilled occupations. California is facing a critical shortage of nurses statewide – about 9,000 new registered nurses (RNs) are needed annually, while only

¹⁶“Ag has growing need for high-tech tools”, Modesto Bee, March 15, 2008 <http://www.modbee.com/ag/story/240503.html>

¹⁷U.S. Department of Labor, Bureau of Labor Statistics, Bulletin 2700, Occupational Outlook Handbook, 2008-09 Edition, “Tomorrow's Jobs” <http://www.bls.gov/oco/oco2003.htm>

about 6,000 RNs were graduating per year, in 2005. Thus, the Governor's Nurse Education Initiative was created in April 2005, providing a multi-faceted approach to expand California's educational capacity to increase the number of nursing graduates.¹⁸

The occupations of home health aides and medical assistants are also anticipated to have shortages. Specifically, nursing aides; orderlies and attendants; home health aides; medical assistants; pharmacy, radiology and medical technicians; and dental assistants will have the largest growth in the industry. Employment in the top 20 high-growth occupations in the health care industry is expected to increase by more than 194,000 between 2004 and 2014.

- **Construction** - LMID reports construction as one of the State's high growth industries, due in part to labor needs for highway and other public works projects.¹⁹ Nonresidential and public works construction is expected to increase, given the recent passage of over \$40 billion in bonds leading to new transportation funding, and major infrastructure investment in California. Despite the current slowdown in the residential housing market, California continues to grow, prompting the need for new homes, improved roads, sewer systems, supermarkets and other business outlets, all requiring a skilled workforce in the construction industry.

Since 2001, job growth in the State has been directly related to the surge in residential building and, as a result, has been largely in construction-related sectors. Between 2002 and 2007, despite downturns, California added over three times the average amount of job growth, over 273,000 jobs in construction-related industries.²⁰ Construction is expected to generate another 163,000 new jobs by 2014. Top occupations in the industry include carpenters, construction laborers, masons, welders, dry wall and ceiling tile installers, electricians, painters, plumbers, and first-line supervisors/managers of construction trades. LWDA notes, however, that in 2007 California experienced 37,000²¹ residential construction job losses.

- **Agriculture** - California is the world's fifth largest agricultural economy (i.e., supplier of food and agricultural commodities). It is the nation's number one agriculture producer and exporter. California's agricultural exports surpassed \$8 billion for the first time in 2004. While the rest of the nation is the leading market for California's agricultural products, foreign markets have become more important in recent years. California exports agricultural products to approximately 150 countries. Despite its critical importance to the State's

¹⁸ Office of the Governor, Press Release, "Governor Schwarzenegger Announces the California Nurse Education Initiative", April 13, 2005 <http://gov.ca.gov/press-release/2046>

¹⁹ "Construction Careers", EDD, LMID, January 2007

²⁰ "Outlook for the California Economy, 2006", Center for the Continuing Study of the California Economy, December 2005.

²¹ As reported by LWDA in Talent Transfer to Speed Delivery of Strategic Growth Plan Bond Projects

economy, however, agricultural employment is relatively low (excluding food processing, only 2 percent of the employed workforce in 2006), and much of that employment is seasonal.

4) Economic and Workforce Initiatives and Trends

Several economic initiatives are being implemented in the State to address new challenges facing California's economy, including:

- **Career Technical Education (CTE)** - Since launching a CTE initiative in 2005, through budget appropriations for \$20 million in the 2006-07 budget for CTE courses, \$40 million for CTE equipment and improvements, and \$20 million in grants to colleges for CTE programs, the Administration remains focused on CTE programs to prepare California workers for the 21st Century economy and maintain California's competitive edge in the global marketplace.²² This effort has dramatically increased funding, bond financing, and the public profile of CTE, and is intended to encourage people who choose not to pursue a four-year college degree path to plan for careers in a trade or craft, particularly in a field with wage progression and job security. Upon receiving sufficient training, which may include certification, such workers are typically hired as "frontline workers" responsible for the direct manufacture or delivery of goods and services.

In 2004, the U.S. Department of Education projected a 30 percent employment growth in occupations requiring a vocational associate's degree between 2004-2008²³. The fastest growing fields will require CTE training. LWDA estimates that by 2014, California will need 132,000 nurses, 73,100 carpenters, 25,100 electricians, 25,300 plumbers, and 11,700 welders, while the nanotechnology sector will need 250,000 production workers between 2004 and 2014.²⁴

- **Clean Technology** - The Administration and the Legislature are leading efforts to expand the economy and protect the environment through clean technology including solar energy generation; energy distribution and conservation; clean air and water; zero emission standards (or carbon neutral) in production; reduction of landfills, and paper reduction.

Numerous initiatives are shaping California's leadership role in the development of clean technologies, such as: the Global Warming Solutions Act of 2006 to cut green house emissions; the Million Solar Roofs to encourage use of solar power; and the Hydrogen Highway to a hydrogen transportation economy. Assembly Bill 32 introduced the Global Warming Solutions Act, while Senators Murray and Campbell introduced SB1 and SB 1017 to provide funding support and tax credits

²² Governor's site <http://gov/index.php?fact-sheet/3510>

²³ Governor's site—Education, posted 2007 <http://gov.ca.gov/index.php/issue/education>

²⁴ Governor's Career Technical Education Summit, "Projected High Demand Jobs through 2014" by California Labor & Workforce Development Agency, March 13, 2007 <http://gov.ca.gov/index.php?press-release/5618>

for solar roofs, intended to encourage 1 million homes and businesses to have solar roofs by 2018. Governor Schwarzenegger signed an Executive Order April 20, 2004 to build a hydrogen highway network.

California has also formed partnerships with other states and Canada to support clean technology. Businesses are being challenged to contribute towards good environmental stewardship, and building environmentally friendly technologies. In California, financial and environmental performance will work together to drive economic growth. The San Francisco Business Times reports that in 2007, the Bay Area emerged as the nation's top clean technology cluster.²⁵

- **Talent Transfer** - A statewide Talent Transfer Strategic Growth Initiative is being developed in collaboration with the LWDA, the EDD, the CWIB, the 49 local workforce investment boards, ETP, and California employers. The LWDA proposal for an Economic Stimulus Package that will also speed delivery of Strategic Growth Plan Bond projects suggests that this effort will assist skilled displaced construction workers in a declining industry (residential) obtain employment in growing construction industries (highway, bridge, and other infrastructure projects). Public-private partnerships will coordinate speedy re-employment of laid off workers; "talent transfer" events will bring together workers and employers; apprenticeship programs; and training including "bridge" training and customized training.
- **Nanotechnology** - Nanotechnology is transforming the way new products will be manufactured in the future. Nanotechnology is the enabling platform technology for a wide range of applications, including the chemical industry, electronics, semiconductors, biotechnology, pharmaceutical, cosmetics, aerospace, automotive, homeland security, defense, textile, and consumer product industry. The National Science Foundation reports that the development and use of nanotechnology is one of the highest growth sectors in the United States, estimated to create more than 1 million jobs by the year 2015.
- **Support for Veterans** – The need for employment training assistance for veterans is increasing, due to the number of active and reservist personnel who have performed military service in recent years. Some veterans have returned to the California civilian workforce and found their previous jobs are gone. A U.S. Department of Veterans Affairs study found that 18 percent of the veterans who sought jobs within one to three years of discharge were unemployed, while one out of four who did find jobs earned less than \$21,840 a year²⁶.
- **Ex-Offenders and At-Risk Youth** – On May 3, 2007, the Governor signed AB 900, the Public Safety and Offender Rehabilitation Services Act of 2007 (Solario), which fundamentally reforms California's system of incarcerating and rehabilitating prisoners. As authorized by the Act, the Administration is

²⁵ "Cash pours into clean tech", San Francisco Business Times, February 16, 2007

²⁶ "Study: War Veterans Face Job Search Woes", February 8, 2008, <http://www.wtopnews.com/?sid=1341378&nid=116>

establishing “strike teams” to overhaul programs for rehabilitation, substance abuse, education and job training. Additionally, the California Gang Reduction, Intervention and Prevention Program (CalGRIP) was established by Governor Schwarzenegger on May 25, 2007 to target State funding toward local anti-gang efforts, including job training, education and intervention programs.²⁷

- **Small Business** - The economic engine of the State, small business is essential to California’s economy. Small employers with fewer than 100 employees represent more than 98 percent of all businesses in the state, and employ 58 percent of all California workers.²⁸ Any strategies to enhance the State’s economy must include small business as a priority.

ETP is also working with stakeholders to develop strategies for the training of early-stage microenterprise businesses with fewer than five employees in need of start-up costs and generally lacking access to conventional loans, equity, or other banking services, given the importance these business start-ups can have on local economies.

²⁷ Governor’s site <http://gov.ca.gov/index.php?/press-release/6395>

²⁸ “California Economic Profile: A Statewide Overview and Regional Analyses December 2007”, Economic Strategy Panel.

E. Program Budget

ETP is funded exclusively by the Employment Training Tax (ETT) which California companies pay to promote the development of an improved State workforce.

Estimated total funding for the ETP program in FY 2008-09 is \$70.9 million. This consists of the Budget Act appropriation of \$56.9 million, and an estimated \$14 million in disencumbrances (unearned contract funds) available for reinvestment in new training projects.

ETP will seek to maximize its resources through strategic planning to continue meeting its mandates and priorities.

FY 2008-09 Appropriations & Expenditures

The following illustrates anticipated revenues and expenditures in FY 2008-09.

<u>Employment Training Fund (Fund)</u>	\$100,764,000
<u>Fund Expenditures For:</u>	
Department of Social Services	(\$35,000,000)
Department of Industrial Relations	(\$3,327,000)
EDD Tax Collections Branch	(\$5,345,000)
State Controller	(\$168,000)

ETP Program

Appropriation	\$56,924,000 ²⁹
Funds Reinvested (Estimated)	<u>\$14,000,000³⁰</u>

Total	<u>\$70,924,000</u>
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Expenditures (Planned)

Program Funds.....	\$59,554,170
Marketing and Research	\$674,000
Pro Rata – Program 50.....	\$1,095,830
Program Administration.....	<u>\$9,600,000</u>

Total	<u>\$70,924,000</u>
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²⁹ Funds appropriated for the operation of the ETP Program in State Budget Act.

³⁰ Program funds approved in prior contracts that were unearned and subsequently disencumbered for use in FY 2008-09, per Provision One in the State Budget Act. (Note: \$14 million is approximately the same amount disencumbered from prior contracts for FY 2006-07)

Allocations by Category

As indicated on the Fund Status table (page 14) funds are budgeted for expenditure within the following budget categories:

- 1) Program Funds: \$59.6 million to fund training and employment retention for incumbent workers and unemployed workers, under two categories.
 - a) Economic Development - Most projects are approved under this category, primarily to support retraining of incumbent workers. Some funds under this category are to support training for unemployed workers (i.e., “New Hires”).
 - Retraining programs train employed individuals in companies that are facing out-of-state competition and need to retrain their employees to improve the business’ competitiveness.
 - New Hire training programs train unemployed individuals who are currently receiving unemployment insurance benefits or have exhausted their benefits within the last two years. Training is in job skills needed for a specific occupation or industry.
 - b) Special Employment Training (SET) – Up to ten percent of ETP’s annually available training funds are available under this category. The purpose of SET is to fund training projects to improve skills and employment security of frontline workers in projects that do not meet standard eligibility requirements, but are a priority for workforce training. SET projects target frontline workers (i.e., those workers directly producing goods or services) earning at least the State average wage. SET funding also allows training of frontline workers who earn less than the State average, if they are in high unemployment areas, have multiple barriers to employment, are small business owners, or are seasonal workers.
- 2) Marketing and Research: \$674,000 for strategic program marketing. Marketing is driven by ETP’s priorities and the need to reach businesses that have the most impact on the California economy. In addition to its internal marketing efforts, ETP has enlisted partners to provide marketing outreach to target industries. ETP also conducts independent research to ensure program efficiencies and effectiveness.
- 3) Program Administration: \$9,600,000 for operational costs includes \$500,000 to the Employment Development Department for administrative support.

Maximizing Funds

The demand for training funds continues to exceed ETP’s available resources. By May 1, 2008, ETP exhausted all of its FY 2007-08 program funds, with a backlog of 262 applications for funding, totaling approximately \$53 million. Further, given ETP’s

incremental funding process, obligations in prior year contracts account for \$17.5 million of the \$59.6 million in available program funds, leaving \$42.1 million available for new training projects.

ETP will maximize use of its limited funds and ensure critical industries are targeted for support through the following strategies:

- ETP will continue to apply funding limitations:
 - A per-project cap on training for non-frontline workers (supervisors and managers);
 - A moratorium on the use of budget-based contracts given their substantially higher costs than the fixed fee rate;
 - A moratorium on funding training for truck drivers, given that most such training is mandated by the industry and should be the responsibility of trucking companies (this excludes cases where there is formal involvement of trucking company employers and/or their unions or joint labor management committees in an environment that limits the potential for misuse);
 - A moratorium on all training in the adult entertainment industry, including card rooms and casinos;
 - A moratorium on the funding of security guard training;
 - A moratorium on the funding of Welfare to Work projects³¹;
 - A moratorium on the funding of training for employees of training agencies;
 - A moratorium on Structured On-Site Training (on-the-job training).
- ETP will continue to incrementally encumber training funds, initially encumbering 35 percent of the contract amount to cover first year costs and mitigate the second year liabilities. (Funding is disbursed over a two-year term per project). This process will enable ETP to fund about \$110 million in new contracts.
- ETP has set specific priorities for the expenditure of funds as identified in this Strategic Plan.
- ETP will also seek to maximize its limited administrative funds, which are used for developing and monitoring training contracts, fiscal accounting, information technology support, marketing activities, research studies, and overall administration of the program.

³¹ This refers to a W2W Pilot Program implemented in July 2006 to train CalWORKs recipients. Due to ETP's limited funding and its ability to serve CalWORKs recipients under its SET program, the Panel implemented a moratorium on W2W projects in January 2008.

F. Funding Priorities

Based on an assessment of internal and external factors affecting ETP, including available resources, funding will be prioritized in FY 2008-09, as follows:

- **Serving Small Business**

ETP will continue to prioritize funding for small business, funding training for small business owners, equipping them with the tools needed to run a business, and funding training for employees of small businesses to provide them critical job skills. A pilot program for microenterprise business owners will be developed to assist entrepreneurs with less than 5 employees establish and operate a business.

- **Priority Industries**

ETP will emphasize support for manufacturing and other industries key to the State's economic health identified under "California's Key Industries" on page 8. Funds will be targeted to businesses in these sectors, given their importance to the State's economy, and their high return on the investment of training funds.

Major industries to be targeted under the economic development funding category include manufacturing, goods movement and transportation logistics, biotechnology and life sciences, high technology services, agriculture, and multimedia/entertainment. Industries to be targeted under the SET category include healthcare and construction businesses that do not face out-of-state competition.

- **Partnerships**

- **Economic Development**

ETP develops projects in partnership with other governmental sources of funding. ETP works with the California Business Investment Services (CalBIS) on "critical proposals" with an emphasis on creating new jobs in California. ETP also supplements State funding for training under an approved apprenticeship program and adult education. As part of this priority, ETP supports statewide economic development in partnership with State and local economic and workforce development partners.

- **Enhancing the Role of MECs**

Multiple-employer contractors (MEC) serve multiple participating employers under a single agreement. MECs can include consortia (group of employers); training agencies; educational institutions; local Workforce Investment Boards (WIB); and Joint Apprenticeship Training Councils (JATC). MECs are integral to the program, helping ETP reach and better serve its priority industries and populations, especially small businesses.

To determine strategies for enhancing the role of retraining MECs in the program, ETP conducted a MEC forum in April 2008. Issues focused on streamlining the contracting process, broadening eligibility criteria, and financial incentives/flexible billing to improve business cash flow. ETP will give consideration to these and other related issues.

➤ **Revitalizing the Central Valley and Rural Northern California**

Traditionally an agricultural region, the San Joaquin Valley trails the rest of the State in family income, educational achievement, health care access, employment, and job stability. Unemployment rates in the region have been persistently high for nearly three decades. The California Partnership for the San Joaquin Valley (a public-private partnership charged by the Administration with mitigating these conditions and improving the economic vitality of the region) is working with business leaders, public agencies, and educational institutions to synchronize efforts to bring more jobs and economic diversification to the region. The Partnership is working to leverage incumbent employee training to reduce turnover and improve overall job stability. ETP will support this effort by funding training projects that foster economic growth in the region. Additionally, much of northern California has been struggling with unemployment and economic development issues, especially in the rural areas. ETP will expand marketing and partnership development to support several more training projects from this part of California.

• **Key Initiatives**

ETP will continue to support the state's economic and workforce initiatives through strategic marketing efforts, participation in key partnerships, and specific funding incentives. Areas for emphasis:

➤ **Career Technical Education (CTE)**

ETP is committed to supporting the continued statewide emphasis on CTE and related programs. The related programs include pre-apprentice and apprenticeship training, and career technical training at a community college. ETP will fund this type of training at both the entry level and journey-level to persons that choose a technical career path and may be thwarted from entering or remaining in today's increasingly technological

workforce, absent training in job-specific skills and specialty practices. ETP will also focus on training proposals for women in non-traditional occupations. ETP will concentrate on funding CTE and related programs in three priority industry sectors: manufacturing, healthcare, and construction (building trades). There is a projected shortfall of skilled workers in key occupations within each of these sectors.

➤ **Talent Transfer Strategic Growth Initiative**

ETP will collaborate with LWDA, EDD, the CWIB, local workforce investment boards, and California employers on a Talent Transfer Strategic Growth Plan to stimulate the economy and provide short-term transitional job training and placement assistance to displaced residential construction workers. The project proposes investing a total of \$10 million dollars (\$5 million in ETP funds and \$5 million in Workforce Investment Act funds). ETP will fund customized training to refine worker skills for new employers, to assist displaced workers to become proficient with unfamiliar construction skills needed by an employer, and to refine existing construction skills to meet new employer job specific requirements.

➤ **Clean Technology**

Environmental issues, consumer demands, regulatory pressures, market trends, and technological advancements have fueled interest in the clean or green technology sector. Major areas for focus include: solar energy generation; energy distribution and conservation; clean air and water; reduction of landfills and paper reduction. ETP has dispersed funds to businesses in manufacturing, food processing, services and other entities that contribute toward good environmental stewardship, through increased energy efficiency, reduced production waste, and reduced greenhouse gas emissions. ETP will prioritize clean technologies in support of State efforts for a healthy environment focused on clean energy technology.

A resource for California businesses, ETP will support workforce training to help California businesses comply with the California Global Warming Solutions Act to reduce greenhouse gas emissions. ETP will fund training to provide workers the job skills demanded by occupations in the green economy. ETP will prioritize clean technologies in support of State efforts for a healthy environment focused on clean energy technology.

➤ **Nursing Shortage**

With a shortage of nurses and certified nurse assistants (CNA), and a rapidly aging population, California faces a nursing crisis. In FY 2008-09, ETP will continue to support the healthcare industry, by targeting training funds for the career advancement and job security for workers in this

sector. ETP will fund training for nursing upgrades, nurse capacity building, and allied healthcare occupations.

➤ **Support for Veterans**

ETP will enhance its funding of training for veterans through the implementation of a pilot program designed to help veterans pursue high-skilled, high-wage jobs in secure industries by providing incentives, such as increased training reimbursement rates for contractors who prioritize training for veterans. ETP will partner with other state agencies to develop initiatives for the training and employment of veterans. ETP will increase marketing to veteran organizations with the intent of developing training projects that focus on meeting veterans' training needs. ETP will also outreach to veterans by working with local chambers, ethnic chambers, women's business groups, high-tech conferences, and business community workshops.

➤ **Training Ex-Offenders/At-Risk Youth**

In support of efforts to reduce recidivism and gang violence through education and job training, ETP implemented a pilot program in 2007, under its Special Employment Training category, to help ex-offenders and at-risk youth (ages 18 to 23) enter and succeed in the workforce. ETP will continue this pilot program.

➤ **High Unemployment Areas**

ETP will continue funding training for companies in high unemployment areas (HUA) of the State, to stimulate these local economies. Funding will focus on workers who have full-time jobs and fairly stable employment, but earn low wages and lack the essential job skills necessary to improve their employment.

G. Goals and Objectives

Seven key goals, with specific objectives will be addressed in FY 2008-09:

Goal #1: Strategically allocate necessary program funding to address California's key economic and workforce development needs.

Objective:

- a) *Maximize use of ETP resources by targeting funds for the best return on investment.*

Goal #2: Increase the pool of qualified applicants for training funds through strategic marketing.

Objectives:

- a) *Enhance statewide marketing activities designed to aggressively pursue projects meeting ETP's funding priorities.*
- b) *Develop marketing strategies to effectively address the State's economic initiatives and trends through single employer contracts and multiple employer contracts.*
- c) *Continue to work closely with marketing partners in the recruitment of key industry companies.*
- d) *Develop new marketing partnerships to leverage ETP training dollars.*
- e) *Continue to educate stakeholders on how to use the ETP program effectively through expanded partnerships with regional workforce investment boards and economic development corporations.*
- f) *Continue to promote the value of workforce training to employers via current marketing tools, including, but not limited to the ETP website, press releases, ETP's video business card, and outreach activities.*
- g) *Continue efforts to develop new and refine existing marketing tools to assist in ETP's outreach efforts.*
- h) *Maximize marketing funds through strategic event and sponsorship planning geared to reach ETP's funding priorities.*

Goal #3: Support economic workforce partnerships and statewide initiatives.

Objectives:

- a) *Target "critical proposals" with emphasis on the creation and retention of jobs in California.*

- b) *Partner with other State and local economic and workforce development partners to facilitate economic development in California.*
- c) *Target training projects supporting Career Technology Education to train workers in a trade or craft, often in partnership with other state sources of funding for apprenticeship programs and adult education.*
- d) *Target training projects supporting clean natural resources using technology focused on clean air and energy technology.*
- e) *Target up to \$5 million in support of the Talent Transfer initiative to assist workers impacted by the decline in the residential real estate market, to help them transfer their skills into public works, commercial construction, and related industries.*
- f) *Enhance coordination with State and local Workforce Investment Boards to promote the effective use of funds to meet the training needs of local employers. Coordination may include strategies to enhance utilization of training resources by companies in priority sectors, special populations, and in geographically underserved areas. Approaches to foster ETP's partnership with Workforce Investment Boards may include marketing agreements, expanded technical assistance, modification of program regulations and policy, and expanded use of Multiple Employer Contracts.*

Goal #4: Target priority industries and small business.

Objectives:

- a) *Allocate at least 70 percent of available program funds to priority industries.*
- b) *Target training projects that support small businesses with 100 or fewer employees, including projects that equip small business owners with the necessary tools to successfully operate their business.*
- c) *Serve microenterprises through a pilot program, targeting early-stage entrepreneurs to help them grow their business and succeed.*

Goal #5: Serve as a catalyst for employers to invest in worker training.

Objective:

- a) *Require employers to contribute toward the cost of ETP-funded training, investing in their training projects as well as the concept of workforce training.*

Goal #6: Support hard-to-serve populations.

Objectives:

- a) *Target up to \$2 million for a pilot program to increase the participation of veterans in the program.*

- b) Target up to \$15 million for training in high unemployment areas.*
- c) Target up to \$2 million to continue providing critical job skills training and jobs to ex-offenders and at-risk youth.*
- d) Support training projects that foster new jobs and economic growth in the Central Valley region and rural Northern California. Increase support for rural areas in these regions.*

Goal #7: Increase the efficiency and effectiveness of the ETP program.

Objectives:

- a) Refine automated processes, and continue assessing data needs.*
- b) Simplify project management for the Small Business Program.*
- c) Obtain feedback from internal and external customers to improve processes.*
- d) Continue to promote internal staff communication, employee development and recognition.*
- e) Continue to review and refine regulations, policies, and contract requirements.*
- f) Continually evaluate pilot programs to determine their success and possible permanent incorporation into the program.*
- g) Work with MECs, to improve their ability to develop, administer, and perform ETP contracts.*
- h) Continually evaluate current training and delivery methods in the vocational training industry for application to allowable training delivery requirements, for contract reimbursement in ETP policy and regulations. New technologies and training concepts are revised and added to the traditional classroom training structure on an ongoing basis, and ETP will strive to keep current with the training methods available.*

Assessments of Progress on ETP's
2007-2008 Goals & Objectives

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p><u>GOAL #1:</u> Restore ETP's full funding.</p> <p><i>Objective:</i></p> <p>a) Restore the full appropriation of funds to ensure that ETP is fully funded, and that the Employment Training Fund serves the purpose for which it was established.</p>	<p>➤ ETP's appropriation increased by \$3.1 million over the previous fiscal year (a 6 percent increase).</p>	<p>➤ Continue to strategically invest limited ETP resources in the State's most critical economic and workforce development needs.</p>
<p><u>GOAL #2:</u> Increase the pool of qualified applicants for training funds through strategic marketing.</p> <p><i>Objectives:</i></p> <p>a) Enhance statewide marketing activities designed to aggressively pursue projects meeting ETP's funding priorities.</p> <p>b) Continue to closely work with marketing partners to meet contract performance requirements for bringing in targeted clients.</p> <p>c) Develop new marketing partnerships consistent with outreach goals.</p>	<p>➤ EDU met/communicated with Workforce Investment Board Directors statewide, the California Space Authority, Baybio, the International Association of Nanotechnology, the California Community Colleges, and One-Stop representatives.</p> <p>➤ EDU contracted with the California Labor Federation, California Manufacturing & Technology Association (CMTA) and the California Workforce Association to attract target industries/businesses, and initiated discussion regarding partnership possibilities with the California Community Colleges. Forum of Multiple-Employer Contractors (MEC) held in April to explore issues facing MECs in bringing in targeted clients.</p> <p>➤ Joined Team CA – a public-private membership partnership of economic development organizations dedicated to business retention, development and attraction. Established weekly strategy/status meetings with CalBIS and the Governor's Economic Development Advisor.</p>	<p>➤ Continue</p> <p>➤ Ongoing marketing efforts. Implement recommendations from MEC Forum.</p> <p>➤ Continue marketing</p>

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p>d) Promote the value of workforce training to employers via the ETP Home Page, press releases, and other outreach activities.</p>	<p>➤ Created bimonthly ETP NewsLink with distribution to ETP staff, stakeholders, marketing partners and contacts. Post-panel press release broadcast to media outlets, stakeholders, and contacts.</p>	<p>➤ Ongoing</p>
<p>GOAL #3: Support economic partnerships and clean technology.</p> <p><i>Objectives:</i></p> <p>a) Target “critical proposals” with emphasis on the creation of new jobs in California.</p> <p>b) Partner with other State and local economic and workforce development partners to facilitate economic development in California.</p> <p>c) Target training projects supporting Career Technology Education to train workers in a trade or craft, often in partnership with other state sources of funding for apprenticeship programs and adult education.</p>	<p>➤ ETP approved 2 critical proposals through the efforts of a RED team - \$883,120 for Kyoho Machine Works to train 140 new workers, and \$7,039,500 for Virgin America to train 3,610 workers.</p> <p>➤ Increased sponsorship opportunities and participated in key events such as Annual Conference of California Association for Local Economic Development (CALED), Medical Devices and Manufacturers’ Conference, California Food Processors Exhibition, California Workforce Association Spring Conference, California Green Summit, Economic Workforce Development Professionals Conference, and BioComm Conference.</p> <p>Approved 56 contracts totaling \$21,212,633, to train 14,402 workers in projects that contributed toward the businesses expanding their workforce, or saving jobs, creating 7,243 new/saved jobs.</p> <p>➤ Approved 148 contracts totaling \$9,084,997 to train 6,552 workers for jobs in CTE occupations.</p>	<p>➤ Ongoing – strive for increase in number of critical proposals funded by ETP.</p> <p>➤ Ongoing – with additional emphasis on working with State and local Workforce Investment Boards.</p> <p>➤ Develop and implement Talent Transfer SET pilot program.</p> <p>➤ Ongoing</p>

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p>d) Target training projects supporting clean natural resources using technology focused on clean air and energy technology.</p>	<ul style="list-style-type: none"> ➤ Partnered with Valley Vision and California Solar Energy Industry Association (CalSEIA) for the promotion of green technologies. <p>Approved 37 contracts for \$11.8 million to train about 13,700 workers in industries and companies that use or provide services for clean technology.</p>	<ul style="list-style-type: none"> ➤ Ongoing
<p>GOAL #4: Target priority industries and small business.</p> <p><i>Objectives:</i></p> <p>a) Allocate at least 75 percent of available program funds to priority industries.</p>	<ul style="list-style-type: none"> ➤ 72.7% of the funds approved by ETP were for industries designated as priority industries in the Strategic Plan. \$73,423,192 out of \$101,020,528 total funds was for priority industries. ➤ Approved 32 contracts in the aerospace or aerospace supplier industry, totaling up to \$10.5 million to train 12,000 workers. ➤ Approved 12 contracts in biotechnology/life science industries, totaling \$5,845,620 to train 5,935 workers. ➤ Approved 11 contracts in the agriculture industry, totaling \$3,140,889 to train 2,515 workers. Of those, 5 contracts provided training to 508 seasonal workers. ➤ Approved 28 contracts in the construction industry, totaling \$4,527,123 to train 3,241 workers. ➤ Approved 29 contracts in the goods movement and transportation logistics industries, totaling almost \$6.6 million to train 6,400 workers. ➤ Approved 14 contracts for companies involved in nanotechnology, totaling about \$7.4 million to train over 10,000 workers. 	<ul style="list-style-type: none"> ➤ Target at least 70 percent of available program funds to priority industries. ➤ Ongoing priority under manufacturing. ➤ Ongoing priority ➤ Continue with seasonal worker pilot program. ➤ Consider implementation of SET construction pilot program. ➤ Review specific industries within trade and transportation sectors for priority consideration. ➤ Review criteria/definition for nanotechnology projects.

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p>b) Target training projects that support small businesses with 100 or fewer employees, including projects that equip small business owners with the necessary tools to successfully operate their business.</p> <p>c) Support healthcare training to address the statewide nursing shortage, through nurse upgrades and capacity building.</p>	<ul style="list-style-type: none"> ➤ Attended small business meetings at the state level (DGS, CalTrans, SBA) and with chambers whose audiences were all small business owners. ➤ Staff created a pilot program proposal that aimed at training small business owners, who do not yet have any employees (microenterprise), through a MEC contract. ➤ Approved 160 new projects directly with small businesses having fewer than 100 employees. ➤ Approved 30 contracts totaling \$10,343,583 to train 6,071 healthcare workers. \$9 million of that was for nurses and CNAs. 	<ul style="list-style-type: none"> ➤ Ongoing priority ➤ Implement pilot program for microenterprises. ➤ Ongoing priority ➤ Ongoing priority
<p>GOAL #5: Serve as a catalyst for employers to invest in worker training.</p> <p><i>Objective:</i></p> <p>a) Require employers to contribute towards the cost of ETP-funded training, investing in their training projects as well as the concept of workforce training.</p>	<ul style="list-style-type: none"> ➤ Employers invest, in their training program, an average of 34 percent higher than their ETP awarded funds. Some of the training funded by companies above and beyond ETP-funded training includes management training, new-hire orientation, safety training, and diversity and sexual harassment prevention training. 	<ul style="list-style-type: none"> ➤ Ongoing
<p>GOAL #6: Support hard-to-serve populations.</p> <p><i>Objectives:</i></p> <p>a) Require that 20 percent of all trainees in projects to train unemployed workers are CalWORKS recipients.</p>	<ul style="list-style-type: none"> ➤ Approved 16 new hire contracts with W2W components totaling \$884,499 to train 224 trainees. 	<ul style="list-style-type: none"> ➤ ETP placed moratorium on W2W projects.

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p>b) Approve \$15 million for training in high unemployment areas.</p> <p>c) Approve up to \$2 million for a pilot project to provide critical job skills training and jobs to ex-offenders and at-risk youth.</p> <p>d) Support training projects to foster new jobs and economic growth in the Central Valley region and rural Northern California.</p>	<p>➤ Approved 123 contracts placing 12,522 workers in areas of high unemployment. Funds targeted to the HUAs total \$17,344,563, over \$2.3 million above the objective amount. At least 16 contracts targeted working poor trainees.</p> <p>➤ Approved \$1,278,658 for 7 such contracts, to train 404 at-risk youth and ex-offenders. The Bay Area Video Coalition, Alameda Corridor Jobs, Goodwill Industries, Comprehensive Training Systems, Los Angeles Opportunities Industrialization, Playa Vista Job Opportunities and Business Services, and California Retreaders participated in training the ex-offenders and at-risk youth to give them a new chance in life.</p> <p>➤ Approved \$16 million in training funds for 11,600 trainees in the Central and rural Northern California regions (excluding the Bay Area). Increased marketing/outreach efforts to businesses in the Central Valley, partnered with the California Partnership for the San Joaquin Valley which is working with businesses leaders, public agencies, and educational institutions to synchronize efforts to bring more jobs and economic diversification to the region.</p>	<p>➤ Repeat objective for FY 2008-09.</p> <p>➤ Repeat objective for FY 2008-09.</p> <p>➤ Maintain and expand partnerships and marketing emphasis. Target more funding to rural areas.</p>
<p>GOAL #7: Increase the efficiency and effectiveness of the ETP program.</p> <p><i>Objectives:</i></p> <p>a) Refine automated processes, and continue assessing data needs.</p>	<p>➤ Implemented an online (paperless) IT service request process; Re-designed ETP Website; Re-engineered and improved the Fiscal Unit's Budget System; Established environments for application testing and user acceptance; Improved data upload instructions to be more customer friendly; Provided data upload training to ETP staff.</p>	<p>➤ Continue efforts to upgrade and improve the Network Infrastructure; security; application system changes; and network desktop support.</p>

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
b) Simplify project management for the Small Business Program.	<ul style="list-style-type: none"> ➤ Evaluated the Small Business Program from an internal stance and assessed the impact it was having on ETP's workload. Currently trying to simplify the process through changes in IT programs/online systems, invoicing, rosters and establishing a position to support small business contracts. 	<ul style="list-style-type: none"> ➤ Continue program improvement efforts.
c) Obtain feedback from internal and external customers and improve processes.	<ul style="list-style-type: none"> ➤ Staff completed an evaluation of the progress of ETP's Welfare to Work Pilot (W2W) Program, including surveys & interviews of W2W contractors. ➤ MEC forum held April 2008 to address issues. 	<ul style="list-style-type: none"> ➤ Ongoing ➤ Develop processes to simplify contracts and amendments for MECs, improve their cash flow and broaden MEC trainee eligibility criteria where feasible.
d) Continue to review and refine regulations, policies, and contract requirements.	<ul style="list-style-type: none"> ➤ Amended 7 and repealed 8 regulations to eliminate repetition, clarify intent, simplify language and incorporate performance standards (case-by-case determinations). ➤ In process to repeal, two outdated Panel Policies. ➤ Completed revising templates: Contracts Form 100 (Standard and MEC), Proposals Form 130 (Standard and MEC) and related forms. 	<ul style="list-style-type: none"> ➤ Ongoing ➤ Complete repeal of policies. ➤ Completed
e) Provide training to staff in key competencies and continue to develop a succession plan for the organization.	<ul style="list-style-type: none"> ➤ Implemented staff reorganization to create an effective level of middle management to guide operations. 	<ul style="list-style-type: none"> ➤ Continue

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2007-08 Goals & Objectives	2007-08 Accomplishments	Status for 2008-09 Plan
<p>f) Conduct internal evaluations of the following: 1) Welfare to Work Pilot Program; 2) Security Guard training; and, 3) the Small Business Program.</p>	<p>➤ Completed evaluation of Welfare to Work Pilot Program, resulting in full moratorium on W2W projects. Dropped plans to evaluate Security Guards.</p>	<p>➤ Conduct evaluation of Small Business Program and determine new internal studies to conduct.</p> <p>➤ Review latest training and delivery methods.</p>

The Strategic Plan was prepared by the Planning and Research Unit staff: Mike Rice, Jill McAloon, Elizabeth Slape, Ann Preston, Tara Armstrong, Damon Nelson, and Tiffany Woodruff.

Additional copies of the Strategic Plan may be obtained by contacting the Employment Training Panel at 1100 J Street, 4th Floor, Sacramento, CA 95814, (916) 327-5640.

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