

# EMPLOYMENT TRAINING PANEL

## STRATEGIC PLAN

2017-2018



# **THE EMPLOYMENT TRAINING PANEL**

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## Appendix

### [Program Budget](#)

The Employment Training Panel's enabling legislation requires the Panel to update its strategic Plan annually and submit it to the Governor and Legislature by January 1, each year. The Strategic Plan was updated based on an assessment of the California economy, the Panel's role in the economy, progress on last year's goals and objectives, and the program's budget. In view of these factors, the Plan outlines funding priorities for the year, and proposes corresponding goals and objectives.

## **A. Vision and Mission Statements**

### **Vision:**

*The Employment Training Panel (ETP) will support job creation and retention 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/Overview/Accomplishments

### Introduction: Fulfilling Its Mission

Established in 1982, the Employment Training Panel (ETP) has proven itself for over 30 years as the state's premier program supporting job creation and retention through training. ETP is funded by a special tax on California employers. ETP differs from other workforce development programs whose primary emphasis is on pre-employment training. ETP fulfills its mission by reimbursing the cost of employer-driven training for incumbent workers and training needed by unemployed workers to re-enter the workforce. Overall, the ETP-funded training helps ensure California businesses have the skilled workers they need to be competitive.

Today, employers must be able to train workers in response to an increasingly competitive business environment. The need for workforce training of frontline workers who produce goods and deliver services is critical. Many employers have limited resources for training. ETP helps to fill this gap by funding training targeted to frontline workers.

ETP works because it is predicated on simple and effective principles:

- ***Employers make decisions about their training program.*** Employers are involved in every aspect of training. Companies assess their training needs, customize curricula accordingly, and implement and administer the training plan.
- ***Training investments help companies become more profitable.*** ETP-funded training promotes wage increases and requires employers to retain trained workers to earn training reimbursement.
- ***Employers are encouraged to assume greater responsibility for training.*** ETP reimburses training based on fixed-fee rates. Companies must cover the difference between ETP reimbursement and their actual training costs. As training costs increase, companies pay a larger percentage of the costs.
- ***Performance-based contracting helps to ensure success.*** A business may earn ETP funds only after a trainee completes all training and is retained for a minimum time period (normally 90 days) at a required wage.
- ***ETP funding is a catalyst for future workforce training.*** Employers who participate in ETP-funded training are more likely to invest in future workforce training. The ETP experience provides employers with practical knowledge and tools to successfully implement a training plan.

### Overview of the Organization

ETP is organized under the Labor and Workforce Development Agency (LWDA) led by a Cabinet-level Secretary and encompassing ETP, the Department of Industrial Relations (DIR), the Employment Development Department (EDD), the Agricultural Labor Relations Board (ALRB), the California Workforce Development Board (CWDB), and the Public Employment Relations Board. ETP retains its autonomy as an agency

under LWDA, acting independently to disburse funds and set program policy. The LWDA promotes opportunities to collaborate and expand workforce training.

ETP is governed by an eight-member panel, seven of whom are appointed by the Governor and Legislative leaders. The eighth member is the Director of The Governor's Office of Business and Economic Development (GO-Biz) (or a designee) who serves ex-officio as a voting member.<sup>1</sup> The Panel approves training proposals, adopts program policies and regulations, and hears appeals.

## Accomplishments

ETP reports annually to the Legislature and Governor's Office on prior year administrative improvements, including legislative and regulatory actions, contract activity, and progress toward ETP's strategic goals. ETP's Annual Reports are available on the ETP website.<sup>2</sup>

## C. Goals and Objectives

ETP Goals and Objectives are approved by Panel members based on a recommendation by ETP staff.

### **Goal #1 Enhance the visibility of the Program**

*Objectives:*

- a) *Partner with public and private, State and local economic and workforce development organizations, including GO-Biz, to identify projects that demonstrate a direct economic impact to the State.*
- b) *Partner with public and private stakeholders to increase outreach and raise awareness about the ETP program.*
- c) *Educate legislative members and staff on the availability of training funds for their constituencies.*
- d) *Continue to work with the Labor and Workforce Development Agency on labor workforce objectives in alignment with the Governor's office.*

### **Goal #2: Target California's key industries.**

*Objectives:*

- a) *Target program funds to ETP priority industries.*

### **Goal #3: Continue support for small businesses.**

*Objectives:*

- a) *Improve outreach to small businesses through partnerships.*
- b) *Develop simplified contracting models for small businesses.*

<sup>1</sup> ([http://www.etp.ca.gov/panel\\_members.cfm](http://www.etp.ca.gov/panel_members.cfm))

<sup>2</sup> <https://etp.ca.gov/about-us-2/annual-reports/>

**Goal #4: Support Governor's initiatives.***Objectives:*

- a) *Expand the Veterans Program.*
- b) *Expand services to disabled workers and workers with barriers to employment.*
- c) *Expand training for women in non-traditional occupations.*
- d) *Targeting training projects in the Central Valley region, rural California, Imperial Valley, and within High Unemployment Areas (HUA).*
- e) *Support pre-apprenticeship and apprenticeship programs.*
- f) *Support workers returning to/remaining in the labor market.*
- g) *Support green technology, training and jobs.*
- h) *Promote industry recognized certifications.*

**Goal # 5: Enhance ETP's impact on job creation and retention.***Objectives:*

- a) *Continue the Retrainee – Job Creation Pilot Program.*
- b) *Collaborate with Go-Biz on critical proposals that increase job creation impacts.*

**Goal #6: Increase the efficiency and effectiveness of the ETP program.***Objectives:*

- a) *Deploy ETP's new data management information system to improve program efficiencies and to ensure comprehensive, seamless data collection and reporting.*
- b) *Conduct internal evaluation and assessment of program/contracting process.*
- c) *Partner with the Labor and Workforce Development Agency coordinating workforce services.*
- d) *Maximize funding through funding priority caps and allocations.*

## **D. Administrative Strategies**

### **Process Improvement & Simplification**

ETP has begun a process of comprehensively reviewing its policies with the goal of improving its processes and simplifying the more complicated areas of its program. This comprehensive review will help to make the ETP program more efficient, with improved workflows for staff and more straight forward and streamlined processes for its customers and stakeholders. ETP has already begun this work by reviewing its guidelines for delegation order requirements, reimbursement rate structure, the way health benefits are included in meeting the minimum wage requirements, and in the funding priorities. ETP will continue to review other areas of the program, including the

wage requirement structure, the substantial contribution requirements, and non-traditional apprenticeship projects. Similarly, ETP will begin a review of all Pilots and Guidelines with a view towards process improvement and simplification. This streamlining will greatly aid in the development of a new information management system, and will further help align ETP with the larger Labor Agency and related programs.

## Maximizing Funds

The Panel maximizes funds based on available revenue, by adjusting funding caps, establishing funding priorities, and adjusting substantial contribution levels and high earner reductions.

Specific factors supporting FY 2017-18 funding recommendations are:

- Increase in Employment Training Tax (ETT) collections during FY 2016-17 that is likely to continue into FY 2017-18;
- Increase in the amount of prior FY project funding liability carried forward to FY 2017-18;
- Full appropriation of ETT revenue to the ETP program in the FY 2017-18 State Budget Act.

## Funding Caps

Caps may be adjusted during the fiscal year based on revenue projections. Caps will be applied to projects as follows:

### Funding Caps

Contract Type	Project Cap
Single Employer	\$750,000
Single Employer Small Business	\$50,000
Critical Proposals	\$900,000
Multiple Employer Contract (MEC)	\$950,000
MEC Apprentice Training: Per Sponsor <sup>††</sup>	\$450,000

<sup>††</sup>Projects with multiple sponsors may not exceed the MEC cap.

AB118: These caps will be determined on a case-by-case basis.

Amendments: Funding for active contracts may be increased, in conformity with these caps, on a case-by-case basis depending on performance.

Funding is limited to one contract per fiscal year.

Adjustments: The caps may be adjusted upward on a case-by-case basis with appropriate justification. In order to more equitably distribute funds, the Panel allocates funds to different types of contracts.



## Funding Allocations

In order to more equitably distribute funds, the total annual ETP contracting budget will be allocated as follows:

### Funding Allocations

Project Type	Allocations
MECs	\$21,000,000
Single Employers	\$46,000,000
Small Business	\$6,000,000
Critical Proposals	\$6,000,000
Apprenticeship/Non-Traditional	\$16,000,000
<b>Total:</b>	<b>\$95,000,000</b>

### Lowest Funding Priorities:

To support the Panel's goals/objectives, the Panel has designated the following as its lowest funding priorities:

- *Commission Sales in Retail Trade*
- *Multi-Level Marketing*
- *Training for employees of Training Agencies*
- *Adult Entertainment* - This includes the design, manufacture, distribution, servicing, management or sale of products or services in the adult entertainment.
- *Gambling*
- *Mortgage Banking – This includes financial and collections institutes.*
- *Car Dealerships*
- *Truck Driving Schools*
- *Partners & Principals in Professional Firms – This includes legal, architectural, engineering, accounting, and tax advising firms.*

### Other limitations

- *Support Costs – Multiple Employer Contract (MEC) support costs will default to the highest percentage (8 percent of training costs for retraining and 12 percent for new-hire training). Applicants must justify the need for and amount of support costs, case-by-case.*
- *Employer Demand in a MEC – MECs requesting funds for retraining must demonstrate participating employer demand for training, based on the MECs' prior performance. If prior performance is 80% or more, the MEC must demonstrate 60% demand. If prior performance is less than 80%, the MEC must demonstrate 80% demand.*

- *Substantial Contribution (SC) Levels - SC will default to the lowest percentage (floor). The Panel has flexibility to set levels on a case-by-case basis at a higher percentage (ceiling):*
  - *Floor: 15 percent first-time SC and 30 percent subsequent SC*
  - *Ceiling: 30 percent first-time SC and 50 percent subsequent SC*
- *Training Vendors in a MEC - Training vendors are limited to providing no more than 50% of training in a single MEC.*

## E. Economic Overview

ETP supports job creation and retention in California through workforce training. Strategies for achieving this goal are based on the current state of the economy, California's key industries, and workforce training trends. ETP coordinates with public and private sectors, leveraging funding to support the economy and workforce.

### Statewide

The EDD Labor Market Information Division (LMID) reports that nine of California's major non-farm industry sectors gained jobs, while only two have lost jobs on a year-over basis ending in February 2017. The state saw gains in construction (2.2 percent); professional and business services (1.4 percent); leisure and hospitality (2.6 percent); information (3.1 percent); other services (2.3 percent); educational and health services (3.6 percent); trade, transportation and utilities (1.6 percent); financial activities (1.7 percent); and government (1.9 percent). The two non-farm sectors that showed a job decline were mining and logging (-11.2 percent) and manufacturing (-0.7 percent).<sup>3</sup>

California's non-farm payroll jobs experienced an increase of 22,900 jobs during the month of February, 2017, marking a seven-year employment expansion, adding a total of 2,489,500 nonfarm jobs over the past seven years. California's unemployment rate fell to 5.0 percent (seasonally adjusted) in February, 2017, which is the lowest unemployment rate in nearly ten years, since January, 2006, when it was 4.9 percent.<sup>4</sup>

On the subject of job growth, the Anderson Forecast cites multiple data sources that indicate continued economic growth for California. These sources include payroll and real income growth, as well as continued housing development.<sup>5</sup>

Considering the above factors, the Anderson Forecast predicts total employment growth. Specifically, payrolls are forecast to grow by 1.7 percent in 2017, and 1.1 percent in 2018.

### Regional

While most of California is experiencing strong economic recovery, some areas of the state continue to struggle with high unemployment. These are often rural, agricultural areas in the central and northern parts of California, such as Fresno County which in

<sup>3</sup> California Labor Market Review, <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>

<sup>4</sup> Ibid

<sup>5</sup> <http://www.anderson.ucla.edu/media-relations/2016/ucla-anderson-forecast-looks-at-economic-growth-amid-presidential-elections>

March 2017 reported a 10.3 percent unemployment rate<sup>6</sup>. In comparison, the unadjusted unemployment rate for California was 5.1 percent and 4.6 percent for the nation in the same period.<sup>7</sup> Colusa County, in the rural, northern part of the State, reported the highest unemployment rate of 21.8 percent.<sup>8</sup> ETP defines these high unemployment areas (HUAs) as distinct regions that have unemployment rates exceeding the State average by at least 15 percent. Still, some of the industries that are beginning to create and retain jobs during recovery (e.g., construction, educational and health services, information) are also present in the HUAs.

## F. Priority Industries

ETP prioritizes industries most vital to California's economic growth and recovery. Projects serving these industries receive a higher fixed-fee training reimbursement rate:

- [Agriculture](#)
- [Allied Healthcare](#)
- [Biotechnology and Life Sciences](#)
- [Construction](#)
- [Green/Clean Technology](#)
- [Goods Movement and Transportation Logistics](#)
- [Information Technology Services](#)
- [Manufacturing](#)
- [Multimedia/Entertainment](#)
- [Technical Services](#)

**Agriculture** – California is the nation's largest agricultural producer and exporter.<sup>9</sup> In 2015, California exported approximately 26 percent of its agricultural production; these exports amounted to \$20.69 billion in value.<sup>10</sup> Nearly 27 percent of California farms generated commodity sales over \$100,000, greater than the national average of 20 percent. The State's 77,500 farms and ranches received \$47.1 billion for their output; this revenue was led by the dairy industry followed by almonds and grapes. California remained the leading state in cash farm receipts in 2015 with more than 400 combined commodities representing nearly 13 percent of the U.S. total. Over a third of the country's vegetables and two-thirds of the country's fruits and nuts are grown in California.<sup>11</sup>

**Allied Healthcare** – Allied healthcare occupations generally support doctors and nurses. Many workers work at the bedside or behind the scenes to provide laboratory,

<sup>6</sup> [http://www.calmis.ca.gov/file/1fmonth/frsn\\$pbs.pdf](http://www.calmis.ca.gov/file/1fmonth/frsn$pbs.pdf)

<sup>7</sup> Ibid

<sup>8</sup> California Labor Market Review <http://www.labormarketinfo.edd.ca.gov/Publications/Labor-Market-Analysis/calmr.pdf>

<sup>9</sup> [http://www.cdfa.ca.gov/exec/public\\_affairs/pdf/C DFA\\_StrategicPlan2013-18.pdf](http://www.cdfa.ca.gov/exec/public_affairs/pdf/C DFA_StrategicPlan2013-18.pdf)

<sup>10</sup> <http://www.cdfa.ca.gov/Statistics/>

<sup>11</sup> <https://www.cdfa.ca.gov/Statistics/PDFs/2015Report.pdf>

imaging, and other critical services to diagnose and treat patients for a variety of conditions including substance abuse. Drug and alcohol rehabilitation is an important part of the industry as opioid addiction is epidemic.

Healthcare is one of the state's highest growth industries. By 2050, California's population is projected to reach 50 million people.<sup>12</sup> An aging baby boomer population, coupled with the passage of the Affordable Care Act (ACA), means more people in need of care and less people to deliver it.

The Affordable Care Act now provides millions of Californians with health coverage, including rural and disadvantaged communities, where access to quality healthcare services can often be limited.

Many of those covered are foreign born. Thus, it's critical to provide relevant, regional training and education that prepares healthcare workers to deliver high-quality health services to diverse populations in all areas of the state.

**Biotechnology and Life Sciences** – California is a global leader in biotechnology and medical technology. It is home to multiple biomedical clusters located in the San Francisco Bay Area, Los Angeles, Orange County, and San Diego as well as in other counties throughout the state.<sup>13</sup> California leads the nation with 3,040 biomedical companies employing close to 287,000 people, and earning \$147 billion in annual revenues.<sup>14</sup> California also has the highest concentration of world class research institutions with an impressive 11 out of the top 100 universities in the world.<sup>15</sup> Continued job growth is projected in biotechnology and life sciences. Additionally, the biotechnology industry is converging with green technology, conducting biological research relevant to renewable energy sources including the development of sustainable, cellulosic fuels (bio-fuels) for transportation and energy needs.

**Construction** – Since 2011, California's construction industry has steadily gained jobs, and growth is projected to continue at an annual average growth rate of 3.4 percent – the fastest growth rate among the major industry sectors<sup>16</sup>. Due to the improving housing market across the state, the construction industry is expected to gain 201,700 jobs between 2012 and 2022.<sup>17</sup> According to the Employment Development Department's LMID the greatest concentration of job gains within the construction sector is projected to occur in building equipment contractors, building finishing contractors, and residential building construction.<sup>18</sup>

In recent years, federal stimulus funds and bonds have brought new transportation infrastructure investments, fueling high-priority transportation corridor improvements, trade infrastructure and port security projects, transit and passenger rail improvements,

<sup>12</sup> Public Policy Institute of California, Just the Facts, California's Population, [http://www.ppic.org/main/publication\\_show.asp?i=259](http://www.ppic.org/main/publication_show.asp?i=259)

<sup>13</sup> <http://califesciences.org/2017report/#anchor12>

<sup>14</sup> <http://califesciences.org/2017report/#anchor3>

<sup>15</sup> <http://califesciences.org/2017report/#anchor7>

<sup>16</sup> California Industry Employment Projections Between 2012-2022, September 19, 2014, [http://www.calmis.ca.gov/file/indproj/cal\\$indnarr.pdf](http://www.calmis.ca.gov/file/indproj/cal$indnarr.pdf), Figure 4. Projected Employment Percent Change by Major Industry Sectors Between 2012-2022, pg. 3

<sup>17</sup> Ibid, pg. 3

<sup>18</sup> California Industry Employment Projections Between 2012-2022, September 19, 2014, [http://www.calmis.ca.gov/file/indproj/cal\\$indnarr.pdf](http://www.calmis.ca.gov/file/indproj/cal$indnarr.pdf), Figure 4. Projected Employment Percent Change by Major Industry Sectors Between 2012-2022, pg. 3

state and local partnership transportation projects, and improvements to streets, levees, and roads.<sup>19</sup> Over the next ten years, labor needs for highway and transportation infrastructure improvements and nonresidential and public works projects will remain a priority and are expected to increase to support the demands of a growing population.

In 2012, voter approval of Proposition 39, the California Clean Energy Jobs Act (Chapter 250), directed revenues for five years to eligible energy projects such as energy efficiency upgrades and clean energy generation at schools.<sup>20</sup> With the “greening” of the construction industry, opportunities are emerging in green construction jobs. Along with new construction projects there are many buildings being weatherized and retrofitted to achieve the Leadership in Energy and Environmental Design certification.<sup>21</sup> Green construction occupations encompass all aspects of the building trades and provide opportunities for workers at various skill levels, from apprentice to journey-level. As California continues to lead the nation in the development of new technologies, renewable energy, and the sustainable design and construction of more efficient buildings, the demand for skilled workers in green building trades will continue to rise.

**Green/Clean Technology** – California is committed to increasing energy efficiency and the sustainable use of resources. The California Energy Commission’s Renewables Portfolio Standard (RPS) guides the State’s conversion of retail and public utilities to renewable sources. Since 2006, California’s Governors have set increasingly aggressive benchmarks demanding higher percentages of California’s electricity to be produced by renewable sources. In 2015, Governor Brown signed legislation (DeLeon, Chapter 547) requiring retail sellers and publicly owned utilities to procure 50 percent of their electricity from renewable resources by 2030<sup>22</sup>. In 2017, the Governor approved a bill that enacts a cap-and-trade type system, to be in effect until 2030 (AB 398, Garcia, Chapter 135).

Innovative public policy addressing this commitment continues to promote the development of new green/clean technologies. Accordingly, California attracts 60% of the current clean-tech venture capital in the U.S., in industry sectors including sustainable agriculture, environmentally friendly manufacturing processes, transportation logistics, green building practices, and clean energy production<sup>23</sup>. These green/clean technologies are creating new markets for products and services, are increasing business investment, expansion, and job creation, and are helping California reach our renewable resources goals. Green/clean technologies also provide the added benefits of improved air and water quality, reduced greenhouse gas emissions, healthier communities, natural resource conservation, and increased energy independence. The LMID estimates more than 500,000 Californians are currently working in the green economy. That number is projected to grow to 1.2 million by 2020. Clean energy jobs and businesses have grown much faster than the economy as a whole in the past

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<sup>19</sup> California Department of Transportation/Strategic Growth Plan/Bond Accountability, <http://www.bondaccountability.ca.gov/>

<sup>20</sup> Office of Governor Edmund G. Brown Jr., Press Release 10-27-2014, <http://gov.ca.gov/news.php?id=18764>

<sup>21</sup> Construction Careers, 2007, State of California, Employment Development Department, Labor Market Information Division, Information Services Group, Occupational Research Unit, <http://www.calmis.ca.gov/file/occmisc/constructioncareers.pdf>

<sup>22</sup> CEC, <http://www.energy.ca.gov/portfolio/>

<sup>23</sup> [https://www.gov.ca.gov/docs/Clean\\_Energy\\_Plan.pdf](https://www.gov.ca.gov/docs/Clean_Energy_Plan.pdf)

fifteen years, and have continued to grow even during the economic downturn<sup>24</sup>. As such, the green/clean industry sector is key to the continued health and growth of California's economy.

**Goods Movement and Transportation Logistics** – California supports one of the largest trade networks in the nation and serves as a major gateway for products entering and leaving the United States. In 2013, California exported \$168 billion in products – a 4 percent increase from 2012.<sup>25</sup> The State's economy and quality of life depend upon efficient delivery of goods to and from its ports and borders, with five major land ports of entry yielding over \$700 billion in economic activity, 11 seaports, and over 1,000 miles of coastline, international trade in California is an increasingly important component of the state's \$2 trillion economy.<sup>26</sup> Furthermore, California's freight transportation system directly supports a wide array of industries and commercial activities, including over 1.3 million freight-specific jobs throughout the State.<sup>27</sup>

Each decade, millions of new residents join California's population, which will continue to increase over the next 20 years, and challenge existing infrastructure, including transportation and goods movement.<sup>28</sup>

As California's goods movement industry expands and transportation logistics technologies advance, they will remain among the state's highest priorities and a source of high-wage jobs.

**Information Technology Services** – All industries must utilize advanced information technology to ensure competitiveness in the world-wide economy. For example, the agricultural industry is becoming "high tech" as it turns to sophisticated tools such as Geographic Information Systems (GIS) and Global Positioning Systems (GPS) to assist in growing crops.<sup>29</sup>

In 2016, California continued its rank as the nation's leading cyber-state.<sup>30</sup> California ranked #1 in:

- High-tech employment of 1,186,470 workers, with 48,600 net jobs added from 2015 - 2016
- Highest tech wages nationally, with annual average wage of \$154,000
- High-tech payroll of \$182.7 billion
- High-tech businesses: 51,140, and
- Highest Innovation Per Capita.

<sup>24</sup> EDD LMID, <http://www.labormarketinfo.edd.ca.gov/>

<sup>25</sup> Senate Bill 1228 Trade Corridors Improvement Fund (2013-2014)

[http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill\\_id=201320140SB1228&search\\_keywords=](http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201320140SB1228&search_keywords=)

<sup>26</sup> Investing in trade corridor is critical to job growth in San Diego, In My Own Words, Senator Ben Hueso, October 31, 2014

<http://sd40.senate.ca.gov/node/850>

<sup>27</sup> California Employment Development Department, Labor Market Statistics, Retrieved 12/8/2014;

<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1014>

<sup>28</sup> Public Policy Institute of California, <http://www.ppic.org/main/publication.asp?i=895>

<sup>29</sup> <http://www.caseyresearch.com/cdd/high-tech-heads-for-the-farm>

<sup>30</sup> <http://www.cyberstates.org/pdf/CompTIA%20Cyberstates%202017.pdf>

Information Technology Services is a fast-growing industry. Employment in computer systems design and related services will grow by 56.4 percent by 2024, according to the U.S. Bureau of Labor Statistics (BLS).<sup>31</sup> The BLS projects excellent employment opportunities in the industry as demand for computer-related occupations increases with rapid advances in computer technology, continuing development of new computer applications, and the growing significance of information security.

**Manufacturing** – Manufacturing spurs job creation up and down the supply chain. Growth in the manufacturing industry has a job multiplier effect that favorably impacts other industries. In 2009, following the lowest point in the recession and after a decade of steady declines in California manufacturing jobs (which dropped nearly 33 percent between 2000 and 2010), the rate of manufacturing decline began to slow. California began to experience a modest job gain due to consistently strong demand for California exports, which increased by 25 percent between 2009 and 2011.<sup>32</sup> In April 2010, the manufacturing industry had the highest percentage of green jobs in California.<sup>33</sup> In fact, between 1995 and 2008, manufacturing in the green economy grew by 19 percent. In 2010, nearly 21 percent of California’s green employment was in manufacturing.<sup>34</sup> According to GO-Biz, after more than a decade of consistent job losses, California posted three consecutive years of manufacturing job gains in 2011, 2012, and 2013.<sup>35</sup>

Generating \$229.9 billion, California’s manufacturing sector generates more manufacturing jobs than any other state. With manufacturing accounting for 11.7 percent of the total output and employing 9 percent of the state’s workforce, California is the top state for manufacturing jobs and output in the country.<sup>36</sup>

**Multimedia/Entertainment** – Multimedia/Entertainment and the motion picture industries remain a staple of the State’s economy, providing high-wage, high-skill employment in jobs with significant multiplier effects on the economy, creating high-wage jobs which extend beyond the motion picture industry as an essential source of economic activity, tax revenue, jobs and tourism in California. This industry contributes \$50 billion dollars annually to our state’s economy, supporting 145,000 well-paying entertainment industry jobs that provide health benefits.<sup>37</sup> California’s multimedia and motion picture industry is becoming more competitive, projected to bring more filmmakers to the State in the upcoming years. Enacted in January 2015, the Film & Television Tax Credit Program 2.0 is a five-year program that increases funding from \$100 million to \$330 million. It is estimated to generate \$1.5 billion in direct in-state spending, including \$600 million in below-the-line wages.<sup>38</sup>

<sup>31</sup> <https://www.bls.gov/opub/btn/volume-5/the-high-tech-industry-what-is-it-and-why-it-matters-to-our-economic-future.htm>

<sup>32</sup> California Governor’s Office of Business and Economic Development

<sup>33</sup> <http://www.labormarketinfo.edd.ca.gov/contentpub/GreenDigest/2010-California-Green-Innovation-Index.pdf>

<sup>34</sup> [http://www.energy.ca.gov/cleanenergyjobs/Select\\_Committee\\_on\\_Ca\\_Green\\_Economy\\_FinalReport\\_2010.pdf](http://www.energy.ca.gov/cleanenergyjobs/Select_Committee_on_Ca_Green_Economy_FinalReport_2010.pdf)

<sup>35</sup> California Governor’s Office of Business and Economic Development, 2014;

<http://business.ca.gov/WhyCA/CaliforniaEconomybytheNumbers.aspx>

<sup>36</sup> Ibid

<sup>37</sup> <http://www.lao.ca.gov/Publications/Report/3502>

<sup>38</sup> <http://film.ca.gov/wp-content/uploads/2017/02/CA-Tax-Credit-Progress-Report-10-27-2016-FINAL.pdf>

**Technical Services** – According to the US Bureau of Labor Statistics (BLS), “the technical services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others”.<sup>39</sup> California, in particular the Silicon Valley, is home to many of the world’s largest high-tech companies providing technical services to various industries. Some major technical services industries include architectural services, engineering services, computer systems design, and research & development services. Architecture and engineering are driven by residential and commercial construction activity, as well as by corporate and government spending.

In 2016, California reported over 326,000 people employed in these industry sectors, the highest employment level compared to other states in the nation<sup>40</sup>. Civil engineering also continues to demonstrate growth, with the BLS projecting civil engineering employment to increase nationally at a faster-than-average rate of 8 percent over the decade ending in 2024.<sup>41</sup> The California Employment Development Department (EDD) estimates a 12.2 percent increase in civil engineering employment in California over the same time period.<sup>42</sup>

## G. Workforce Trends

**The Workforce Innovation and Opportunity Act (WIOA)** – Established in 2014, WIOA reauthorizes/ restructures the workforce system implemented by the Workforce Investment Act of 1998. The new system better aligns education, economic, and workforce programs and services; better supports regional economic development and labor markets; trains more unemployed workers for higher-wage, higher-skill job opportunities; expands registered apprenticeships; provides more robust business services including expanding On-the-Job, Incumbent Worker, and Customized Training; supports sector strategy and career pathway programs; and increases and refines services to a variety of targeted populations such as Veterans and people with disabilities. Under federal WIOA law, local boards are allowed to spend up to 20% of their funds on incumbent workers. A participant in the WIOA system, ETP supports the vision and goals for WIOA established by the Governor.

**Aging Workforce** – Retirees, along with individuals eligible for retirement, are among those workers for whom up-skill or re-skill training may be necessary. Many in the “baby boomer” generation are continuing to work rather than retire, or are attempting to return to work due to economic conditions. Older workers who want to remain in or re-enter the workforce constitute only one among numerous special populations that represent a sizeable percentage of the current and future labor force. DOL programs, for instance, prioritize services to low income adults, at-risk youth, people with disabilities, authorized immigrants, and other populations that are underserved or have multiple barriers to employment.

<sup>39</sup> <http://www.bls.gov/iag/tgs/iag54.htm>

<sup>40</sup> <http://www.bls.gov/oes/current/oes170000.htm>

<sup>41</sup> <http://www.bls.gov/oes/architecture-and-engineering/civil-engineers.htm>

<sup>42</sup> <http://www.labormarketinfo.edd.ca.gov/OccGuides/Detail.aspx?Soccode=172051&Geography=0601000000>



**Veterans** – Employment and training services for veterans is a focus for the State and its workforce system. A United States Department of Veterans Affairs study finds that 18 percent of 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 year. ETP currently serves veterans in its training population, (see [Strategic Initiatives](#) section) and supports training to assist veterans and members of the National Guard entering the workforce seeking opportunities for advancement in high-wage secure jobs.

**Middle-Skill Workers** – The trend of serving special populations with public workforce funding continues, as does the trend toward the re-employment of skilled workers and up/re-skill training for incumbent workers. The investment of state and federal funds in workforce training continues to become more limited and strategic – targeting priority industries, occupations, and populations.

There is also a trend toward growth in jobs that require more than a high school, but less than a college, education. These jobs, referred to as “middle-skill,” represent approximately nearly half of the jobs in California,<sup>43</sup> while only about one third of California’s workers have the necessary training for them. Many of the middle-skill occupations such as medical lab technician, heating and air conditioning installer, emergency medical technician, and plumber fall into the Career Technical Education (CTE) category of training and education. Many middle-skill jobs are also accessible through apprenticeship training.

**Automation and the Contingent Workforce** – The trend toward increased automation of the workplace, the use of contingent labor, and the expansion of the gig economy is expected to continue and accelerate. Automation, robotics, and artificial intelligence are predicted to play a larger role in the workplace and perform not only physical work but also cognitive tasks. While few jobs will be entirely replaced by automation in the near future, a great many jobs may have specific tasks impacted by this trend. According to a recent report by McKinsey & Company, about 60% of occupations have at least 30% of their activities that are automatable.<sup>44</sup>

**Sector Strategies** – Sector strategies continue as a workforce training trend. It is a methodology for local economic development partners to identify and assist industries and businesses vital to their regional economies in meeting workforce needs, and to assist communities in preparing underserved populations for careers. Working closely with ETP, the California Community College Chancellor’s Office (CCCCO), the California Department of Education (CDE), and other agencies, the CWDB is developing programs that support sector-strategy based career pathways throughout the state. The work of WIOA partners is accelerating as California implements the new system. For instance, CWDB’s Slingshot initiative is aimed at accelerating income mobility through regional collaboration and resolving regional employment challenges that slow California’s economic engine. The initiative will seed regional collaborative efforts by employers and industry, government, workforce and economic development

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<sup>43</sup> “Can California Compete?” by America’s Edge, June 2012. <http://cdn.americasedge.org/clips/CAAESkillsReport-5.pdf>

<sup>44</sup> <https://www.mckinsey.com/global-themes/digital-disruption/harnessing-automation-for-a-future-that-works>

agencies, and education stakeholders within regions. ETP is a partner in this sector strategy.

## H. Strategic Initiatives

ETP plays an important role in California's workforce system, assisting businesses to provide lifelong learning opportunities to workers. Historically funded by employers, incumbent worker training is increasingly becoming a focus for public workforce funding. ETP targets business and industry vital to economic recovery and growth, training in HUAs, and training for lower income workers and individuals with barriers to employment. ETP continues to expand its historical training role, coordinating the investment of alternative funding for workforce training in California businesses.

As a long-term partner supporting job creation and retention through training, ETP coordinates its efforts within its core program and partners with other State agencies in the design and delivery of services via alternatively funded programs. ETP has developed key partnerships with the CEC, EDD, LWDA and other labor and workforce organizations. ETP's partnerships with the LWDA and the EDD have resulted in allocation of WIOA (formerly WIA) Governor's Discretionary and other alternate funds to ETP.

ETP's role in the State's workforce system continues to evolve as the program responds to changing economic and workforce needs, creating new initiatives and pilots focused on job creation, workforce training, and overall economic recovery and revitalization.

### Strategic Partnerships

ETP is legislatively mandated to coordinate its program with local workforce investment boards, the CWDB, and other partners in the WIOA to achieve an effective and coordinated approach to the delivery of the state's workforce resources.

ETP partners with LWDA, GO-Biz, CWDB, EDD, the CCCCCO, CEC, and others at the State and local levels in coordinating resources and services to assist industries, businesses, and citizens having a positive impact on California's economy. ETP continues to expand its program and services in response to the dynamic economy by 1) seeking new partners with whom to collaborate, such as CEC, Office of the State Treasurer and local workforce investment boards, and 2) leveraging additional resources, such as WIOA Discretionary or AB 118 funding.

### Healthcare

The Employment Training Panel's commitment to train professionals in the healthcare field remains strong. ETP participates in the CWDB's Health Workforce Development Council (HWDC). The Council is tasked with understanding workforce needs of the health industry.

### Addressing Climate Change

California continues to lead the nation in the development and implementation of policies promoting secure, clean, affordable energy while protecting the environment, conserving

natural resources, and supporting the development of green technologies. California has continued to reduce greenhouse gas emissions and remain at the forefront of innovation while stimulating new markets and creating new jobs.

As early as 1947, California began to adopt and implement innovative policies aimed at reducing pollution and protecting air quality.<sup>45</sup> For decades, California's approach to emissions reductions has broadened significantly, permeating various sectors from transportation and electricity generation to agricultural production and residential uses. The shift toward a low carbon economy has naturally led to technological advancements and investment in transportation and renewable energy.

In recent years, numerous initiatives have continued to shape California's leadership role in the development of green technologies, including California's Renewable Portfolio Standard (RPS). Created in 2002 and expanded in 2015, RPS establishes some of the most ambitious renewable energy standards in the nation: the California Global Warming Solutions Act of 2006 (Nunez, Chapter 488) which established greenhouse gas reduction targets to 1990 levels by 2020; the adoption of green building codes and the establishment of the Green Collar Jobs Council in 2008; Governor Brown's Clean Energy Jobs Plan in 2011, and; the Governor's updated 2016 Zero Emission Vehicle Action Plan.

On April 29, 2015, Governor Brown signed Executive Order B-30-15 which establishes California's greenhouse gas reduction target at 40 percent below 1990 levels by 2030. This is the most aggressive benchmark enacted by any government in North America to reduce dangerous carbon emissions over the next decade and a half and paves the way toward reaching the state's ultimate goal of reducing emissions to 80 percent below 1990 levels by the year 2050.<sup>46</sup> In July of 2017, Governor Edmund G. Brown Jr. signed AB 398 (Garcia, Chapter 135) which extends and improves the state's world-leading cap-and-trade program to ensure California continues to meet its ambitious climate change goals.

Innovation continues to drive the state's progress in developing and implementing clean technology products and services. With an economy ranked amongst the most efficient and least carbon intensive in the world, California continues to drive growth in the clean economy, generating economic benefits while protecting air quality and natural resources. Between January 2002, and January 2012, jobs in California's Core Clean Economy grew by 20 percent, faster than the economy as a whole.<sup>47</sup> As California continues to transition to a low-carbon economy, the Employment Training Panel supports training in the economy's clean technology sectors. ETP will work to ensure the development of a highly-skilled workforce equipped to meet the needs of 21<sup>st</sup> century.

## **Alternative Renewable Fuel Vehicle Technology Program (ARFVTP)**

Created in 2007 and administered by the California Energy Commission, the ARFVTP, established by AB 118 (Nunez, Chapter 750), provides workforce training in new

<sup>45</sup> California Green Innovation Index, 6<sup>th</sup> Edition, 2014, Next 10, <http://www.next10.org/2014-california-green-innovation-index>

<sup>46</sup> Office of Governor Edmund G. Brown Jr., Press Release 4-29-2015, Governor Brown Establishes Most Ambitious Greenhouse Gas Reduction Target in North America, <http://gov.ca.gov/home.php>

transportation technologies to help address the workforce needs of companies engaged in the development or deployment of alternative fuels and vehicle technologies.

The overall goal of ARFVTP is to transform California's fuel and vehicle types to meet the state's climate change policies. ETP's partnership with the California Energy Commission, which began in FY 2009-10, was established to implement a training program via an Interagency Agreement (IA) in alignment with the goals and objectives of AB 118.

In FY 2015-16, the Energy Commission approved an Interagency Agreement to provide ETP with an additional \$2 million effective beginning July 1, 2016. Due to the additional ARFVTP funds, the total CEC Energy Commission approved IA funding amount is \$11.5 million.

In FY 2017-18, ETP will continue to receive ongoing reimbursable authority of \$3 million based on historic grant awards and expenditures. This ongoing appropriation in reimbursable authority allows ETP to allocate AB 118 funds on a timely basis each fiscal year to contracting entities. ETP continues to participate on the Governor's Interagency Working Group on Zero Emission Vehicles as part of this strategic initiative.

## **Career Technical Education (CTE)**

Intended to prepare workers for the 21<sup>st</sup> Century economy, Career Technical Education (CTE) programs are designed with jobs in mind. By successfully matching the skills of the emerging workforce with the needs of California's highest growth industries, high-quality programs provide hands-on, industry-specific training for careers in high demand.

The fastest growing fields requiring a vocational associate's degree will require CTE training. LMID estimates that from 2010 to 2020 California will see an increase in occupations, including: computer and mathematical occupations; healthcare practitioners and technical occupations; healthcare support occupations, and; construction and extraction occupations, including carpenters and plumbers.<sup>48</sup>

High-quality, coordinated programs provide an essential link between those preparing the workforce and those employing the workforce. CTE programs help close the skills gap, fuel a stronger economy, and maintain California's competitive edge at the forefront of the global marketplace. As California's economy continues to evolve and keep pace with economic changes throughout the nation and the world, a highly-skilled workforce will remain a fundamental factor in California's continued economic prosperity.

## **Apprenticeship Training Program**

Initiated in 2012, ETP's Apprenticeship Training Program provides funds for apprenticeship classroom training. During its first five years, from 2012 to 2017, the program provided nearly \$60 million in 135 contracts to train over 36,000 trainees. ETP funding allows Joint Apprentice Training Committees (JATCs) or other program sponsors to supplement limited state Montoya Funds for the Related Supplemental

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<sup>48</sup> LMI for the State of California Occupational Projections: <http://www.calmis.ca.gov/htmlfile/county/califhtm.htm>

Instruction (RSI) portion of training. The program funds up to 200 hours of RSI training, plus 10 hours of OSHA10 training for apprentices in their second year and beyond. ETP also funds Pre-Apprenticeship and Journeyman training.

ETP participates on the LWDA Apprenticeship Task Force and works with state partners to expand the Apprenticeship model to new, non-traditional industry sectors, such as manufacturing and healthcare. ETP also coordinates with two other government programs specific to apprenticeship funding:

- As part of a nationwide effort, the federal Department of Labor released grant funds for apprenticeships in September 2016. The state Department of Industrial Relations was awarded \$1.8 million to fund “California’s Future” aimed at expanding apprenticeship programs overall with an emphasis on non-traditional and “diversity” enrollment over a 10-year grant cycle. Key partners include the California Workforce Development Board, the State Building and Construction Trades Council, CalFED and ETP.
- Under the Governor’s Budget, funds were appropriated from the General Fund over two Fiscal Years (ending in FY 2016/17) for the California Apprenticeship Initiative (CAI). The grants were released in two-year cycles, with the most recent award at \$15 million. This funding is dedicated to new, non-traditional apprenticeship and pre-apprenticeship programs, primarily through the CCCCO. ETP will support these programs in contract with the community college system after the CAI funding is exhausted.

## Support for Veterans

The need for employment training for veterans is increasing due to the growing number of active and reservist personnel in recent years. ETP funds training to help veterans pursue high-skill, high-wage jobs. ETP provides incentives such as increased training reimbursement rates for contractors who prioritize training for veterans. ETP will continue to partner with other state agencies, through the California Interagency Council on Veterans (CICV), to develop initiatives for the training and employment of veterans and will increase outreach to veteran organizations to develop training projects that serve veterans.

ETP will continue working with local chambers, business groups, and public agencies, and participating in conferences, job fairs and community workshops to reach the veteran population.

## Serving Small Business

Small employers with fewer than 100 employees (3.7M businesses) represent 99.2 percent of all employers in the state and employ 49.6 percent of all California workers.<sup>49</sup> ETP incentivizes training for businesses with 100 or fewer employees in California (and 250 or less worldwide) providing an expedited contracting process and a higher training reimbursement rate.

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<sup>49</sup> [https://www.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/California\\_2016.pdf](https://www.mbda.gov/sites/mbda.gov/files/migrated/files-attachments/California_2016.pdf)

ETP participates on the Small Business Advocate Intergovernmental Advisory Council to GO-Biz, which joins staff and resources from various state agencies to share information and streamline policy for small business. The Council increases awareness of small business needs; the effects of regulatory, financial, political and economic environments on small business, and; the impact of small business on jobs and the economy. ETP has also participated in a series of statewide presentations with the Governor's Small Business Advocate in coordination with the US Small Business Administration; with the California Small Business Development Centers; and at regional Small Business Summits provided by the US Small Business Administration and the California Public Utilities Commission.

## **I. Strategies & Alliances**

### **Marketing**

The Employment Training Panel markets to priority industry employers and employers supporting traditionally under-served training populations. ETP will also diversify its marketing efforts for priority industry employers and initiatives directly supporting workforce and economic development. These marketing efforts will increase the number of marketing partners working to target applicants for funding and bring new training proposals to the Panel.

### **Apprenticeship Training Program**

ETP is coordinating with the California Labor Federation and the State Building and Construction Trades Council, as well as other interested union and non-union partners, to continue the Apprenticeship Training Pilot Program. Through this partnership, the Labor Federation and the State Building Council assist ETP in marketing the program among JATCs. ETP continues to work closely with the Division of Apprenticeship Standards and participate in the LWDA Apprenticeship Taskforce. For more information on the program, see [Introduction](#) and [Strategic Initiatives](#) sections.

### **Governor's Interagency Working Group on Zero-Emission Vehicles**

ETP participates on the Governor's Interagency Working Group on Zero-Emission Vehicles, which is coordinated by GO-Biz. In 2012, Governor Brown issued Executive Order B-16-12 directing state government to help accelerate the market for zero-emission vehicles (ZEVs) in California. This Executive Order calls for 1.5 million ZEVs in California by 2025 and establishes several milestones on the pathway toward this target. The working group helps identified and coordinate specific actions by state government to meet the milestones of the Executive Order. ETP supports job training in this sector with CEC funds from the ARFVTP program and advises the working group on workforce development policy.

### **Job Creation and Retention**

ETP supports job creation and retention in partnership with state and local economic and workforce development partners. For example, ETP works with GO-Biz 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.

## **WIOA Implementation Work Group**

The California Workforce Development Board (CWDB) assists the Governor in setting and guiding workforce development policy.

In 2014, CWDB approved the creation of the Workforce Innovation and Opportunity Act Implementation Work Group to oversee the implementation of the Workforce Innovation and Opportunity Act (WIOA). The WIOA is designed to help job seekers access employment, education, training, and support services in order to succeed in the labor market.

Consisting of an executive-level membership representing various organizations and state boards involved in workforce services, education, and training, the WIOA Implementation Work Group has been tasked with the development of WIOA performance measures and multi-agency metrics, policies, systems alignment and regional collaboration, and the determination of governance changes.

The Panel participates in the WIOA Implementation Work Group to better coordinate State efforts and funds aimed at strengthening California's economic infrastructure, increasing the efficiency of State programs to better target under-served industry sectors.

## **Rural and High Unemployment Areas**

The areas of highest unemployment continue to be rural regions of the state, including the Central Valley, San Joaquin and Imperial Valley. These areas trail the rest of the state in family income, educational achievement, healthcare access, employment, and job stability. Unemployment rates in these regions have been persistently high, even prior to the 2008 recession.

ETP funds training for companies in HUAs to stimulate local economies. Funding targets workers who have full-time jobs and fairly stable employment but earn low wages and lack job skills necessary to improve their employment. The Panel also serves populations with multiple barriers to employment in HUAs.

ETP incentivizes training in HUAs (areas with unemployment rates at least 15% higher than the state average), waiving some of its standard program criteria to provide flexible retention and lowered wage requirements.

## Program Budget

ETP is funded principally by the Employment Training Tax (ETT) which California companies pay to offset the costs of incumbent and new worker training. The tax revenue is collected by the EDD Tax Collections Branch and deposited into the Employment Training Fund (ETF). The Budget Act of FY 2017-18 appropriates \$81.1 million to the ETF. Considering ETF expenditures for the EDD Tax Collections Branch, the Financial Information System for California (FI\$Cal) Project, Pro Rata Assessment, and ETP's estimated \$5.0 million in available program funds for reinvestment in new training projects – ETP will have close to \$80.3 million available for the current fiscal year. Given ETP's prior-year obligations (\$31 million) and planned program expenditures (\$11.7 million), ETP will have \$36.1 million available to fund new core contracts in FY 2017-18.

### FY 2017-18 Core Program Revenue & Expenditures

The following table illustrates the projected ETF and ETP revenue and expenditures for FY 2017-18.

ETF Budget Act Appropriation <sup>50</sup>	\$81,149,000
<u>Budget Act--ETF Expenditures:</u>	
Program 21: EDD Tax Collections Branch	(\$5,845,000)
Remaining ETF Balance:	\$75,304,000
ETP Program Funds Reinvested (Estimated) <sup>51</sup>	\$5,000,000
<b>Amount Available Fiscal Year 2017-18:</b>	<b>\$80,304,000</b>
<u>ETP (Planned) Program Expenditures:</u>	
Program Administration	(\$11,743,642)
EDD Support	(\$500,000)
Marketing and Research	(\$200,000)
Employment Training Management System	(\$760,358)
Prior Year Program Fund Obligations (Estimated)	(\$31,000,000)
<b>Training Funds Available:</b>	<b>\$36,100,000</b>
<b>Projected Contracting Capacity</b>	<b>\$95,000,000</b>

<sup>50</sup> Cannot exceed Governor's Budget Act Appropriation.

<sup>51</sup> Program fund cash balances from closed and terminated prior year contracts are subsequently disencumbered and reinvested for use in the current year, per Provision 1 of the State Budget Act.



## Allocations by Category

As indicated in the funding table on the preceding page, the ETP (Planned) Program Expenditures are budgeted within the following categories:

- 1) **Program Funds**: As a result of ETP's incremental funding process, obligations in prior year contracts account for \$31 million of the \$75.3 million in available program funds, leaving \$36.1 million available for new training projects after all other planned expenditures are allocated. However, through the incremental funding process this will yield close to \$95.0 million in total contract value.

ETP available program funds are used to off-set the costs of training for incumbent workers and unemployed workers under two categories:

- a) **Job Creation and Job Retention** – Most projects are approved under this category, primarily to support retraining of incumbent workers. Some funds under this category are allocated in support of training for unemployed workers (i.e., “New Hires”).

Job Retention: Retraining programs train incumbent, employed individuals in companies that are facing out-of-state competition and need to retrain their employees to improve the business' competitiveness.

Job Creation: 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

- b) **Special Employment Training (SET)** – Up to 15 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 HUAs, have multiple barriers to employment, are small business owners, or are seasonal workers.
- 2) **Marketing and Research**: \$200,000 for marketing and outreach, which are driven by ETP's priorities and the need to reach businesses that have the most impact on the California economy.
  - 3) **EDD Support**: \$500,000 to support general communications, budget and accounting, business operations, human resources, legislative analysis, information technology, and coordination activities on behalf of ETP.
  - 4) **ETMS**: \$760,358 for the design, implementation, and replacement of the existing ETP Management Information System. This amount also includes ongoing maintenance costs

- 5) **Program Administration**: \$11,743,642 for operational costs, which includes personal services and benefits, operating expenses and equipment.

In addition to receiving ETF core program funding, ETP will receive the following alternative funds:

Alternative Funding in FY 2017-18, the Energy Commission will allocate \$3.0 million to fund AB 118 ARFVTP training contracts via an Interagency Agreement

The Strategic Plan was prepared by the Planning and Research Unit staff: Jeff Brooks, Madison Hummel, Bryan Lytle, Mario Maslac, Tiffany Maslac, Leo Melton, John Saunders, Elisabeth Testa and Nancy Tran

The Strategic Plan is available on-line at the Employment Training Panel's website:  
<http://www.etp.ca.gov/>

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