

Employment Training Panel

2019-2020 Strategic Plan

Janice Roberts, Acting Chairperson
Gloria Bell, Member
Chris Dombrowski, Member
Gretchen Newsom, Member
Ernesto Morales, Member
Ali Tweini, Member
Rick Smiles, Member

Stewart Knox, Executive Director
Peter Cooper, Assistant Director
Jill McAloon, Chief Deputy Director
Tara Armstrong, Deputy Director
Kulbir Mayall, Deputy Director
Michael Cable, Legal Counsel

Contents

Vision and Mission Statements	3
Introduction/Overview	3
Goals and Objectives	4
Improvements and Funding	5
Priority Industries	9
Labor Force Priority Populations	10
Strategic Partnerships	12

Appendices

ETP's Priority Industries Descriptions
Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)

Vision and Mission Statements

Vision:

The Employment Training Panel will support sustainable economic development and job training in California through strategic partnerships with business, labor, and government.

Mission:

The Employment Training Panel provides financial assistance to California businesses to support customized worker training to:

- Attract and retain businesses contributing to a healthy California economy.
- Provide workers secure jobs paying good wages and having opportunities for advancement.
- Assist employers to successfully compete in the global economy.
- Promote benefits and ongoing investment of employee training among employers.

Introduction/Overview

Mission

Established in 1982, the Employment Training Panel (ETP) is the state's premier program supporting job creation and retention through training. ETP is funded by a special tax on California employers and differs from other workforce development programs by reimbursing the cost of employer-driven training for incumbent workers and training needed by unemployed workers to re-enter the workforce. ETP-funded training helps ensure California businesses have the skilled workers they need to be competitive. ETP's Annual Reports outline the progress towards its strategic goals. ETP's Annual Reports are available on the ETP website.¹

Organization

ETP is organized under the Labor and Workforce Development Agency (LWDA) led by a Cabinet-level Secretary which encompasses ETP, the Department of Industrial Relations (DIR), the Employment Development Department (EDD), the Agricultural Labor Relations Board (ALRB), the California Workforce Development Board (CWDB), The Unemployment Appeals Board (UAB), and the Public Employment Relations Board (PERB). ETP retains its autonomy under LWDA, acting independently to disburse funds and set program policy. LWDA promotes opportunities to collaborate and expand workforce training.

¹ etp.ca.gov/about-us-2/annual-reports/

ETP is governed by an eight-member labor/management panel, of which, seven 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.² The Panel approves training proposals, adopts program policies and regulations, and hears appeals.

Upskilling Californians Since 1982

84, 000 Businesses have received ETP Funding
1.2 Million workers trained & retained for employment
\$1.58 Billion training funded

Goals and Objectives

1. Enhance Economic Development Coordination

- 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. Inform legislative members on the availability of training funds for their constituencies.
- d. Work with the Labor and Workforce Development Agency on labor workforce objectives in alignment with the Governor's office.

2. Target Industries that are vital to California's growth

- a. Target program funds to priority industries.
- b. Target program funds to industries contributing to California's growth.
- c. Provide training to California's leading technology sectors.

3. Support for small businesses

- a. Improve outreach to small businesses through partnerships.
- b. Build strategies to guide small businesses towards MECs to improve efficiencies.

4. Support Governor's Initiatives

- a. Expand training for all Californians.
- b. Target training projects in rural California, including the Central and Imperial Valleys, and within urban High Unemployment Areas (HUAs).
- c. Support pre-apprenticeship and apprenticeship programs, including expansion to non-traditional sectors.

² etp.ca.gov/about-us-2/panel-members/

- d. Support workers returning to/remaining in the labor market.
- e. Expand the Veterans Program.
- f. Support training and job creation to address Climate Change impacts, including supporting green technology and training related to forest fires and drought.
- g. Support integrating formerly incarcerated individuals into the labor market.
- h. Promote industry-recognized certifications and training for career pathways and worker mobility.
- i. Expand services to injured, disabled workers, and workers with barriers to employment.

5. Increase efficiency and effectiveness

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

Improvements and Funding

Process Improvements and Simplification

ETP is reviewing its policies to improve processes, simplify the program to make it more efficient for customers and stakeholders, and to better align the program with Labor Agency and related programs. Additionally, ETP has contracted with Social Policy Research Associates to evaluate the ETP training programs and survey ETP contractors about their experience with ETP's system and their current and future workforce needs.

ETP is currently developing a new data management information system to improve program efficiencies and ensure comprehensive and seamless data collection and reporting. The consolidation of business systems will also increase the accuracy of reporting data that will allow for the retirement of outdated systems no longer supported by industry, and provide a more efficient and user-friendly experience for both staff and customers.

Completed:

- Formation of ETP Committee to Assist in Policy Making

- Updated Funding Priorities
- Established Guidelines for Health Benefits
- Fixed-Fee Reimbursement Rates
- Established Repeat Contractor Rule
- OSHA 10/30 Review
- Out-of-State Training/Vendor Simplification

In-Progress:

- Assessment of Wage Criteria
- Comprehensive Review of ETP Legislation & Regulations
- Review of Pilots & Guidelines

Funding Caps

Project/Funding Caps for Fiscal Year (FY) 2019-2020



AB 118 ARFVTP

Assembly Bill (AB) 118/Alternative Renewable Fuel Vehicle Technology Program (ARFVTP): Caps for this program will be determined on a case-by-case basis.

***DELEGATION ORDER:** An expedited contract approval process by the Executive Director. Proposals approved via Delegation Order are capped at \$75K.

MECs

All MECs are limited to one contract per Fiscal Year.

AMENDMENTS

Amendments must be for Phase II funding only and may only be requested once a contractor has earned 70% on their contract.

ADJUSTMENTS

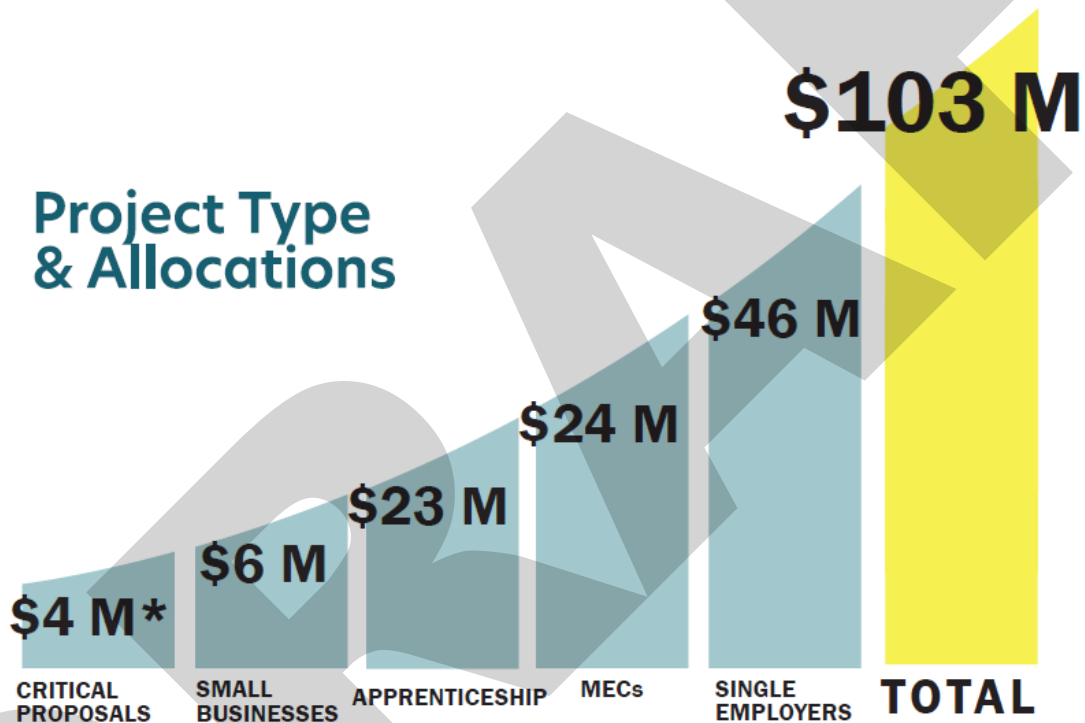
The Panel has the authority to adjust caps.

NOTE:

Caps may be adjusted during the fiscal year based on revenue projections.

Funding Allocations

Funding Allocations applied for FY 2019-2020



*Critical Proposals may exceed cap on a case-by-case basis with appropriate justification

Lowest Funding Priorities

- Adult Entertainment - This includes the design, manufacture, distribution, servicing, management or sale of products or services in adult entertainment
- Car Dealerships - Limited to training mechanics only for Core Funding
- Commission Sales occupations in Retail Trade
- Gambling
- Mortgage Banking – This includes financial and collections institutes
- Multi-Level Marketing

- Partners and Principals in Professional Firms – This includes legal, architectural, engineering, accounting, and tax advising firms
- Training for Employees of Training Agencies
- Truck Driving Schools

Lowest Funding Priorities are placed on moratorium unless funded by alternate funds (i.e. California Energy Commission funding).

Other Limitations

Employer Demand in a MEC

- Multiple Employer Contractors requesting funds for retraining must demonstrate employer demand based on the MEC's prior performance.
 - If prior performance is 80% or more, must demonstrate 60% demand for funding; if prior performance is less than 80%, must demonstrate 80% demand for funding.
- All MECs are limited to one contract per Fiscal Year

Repeat Contractor Rules (Pilot)

- Contractors may have 2 contracts without any waiting period.
- After the end of 2nd contract term, contractor must wait 9 months before applying (Pre-Application) for 3rd contract.
- If performance on any contract is below 75%, amount of new contract will be no more than the amount earned under prior contract.
- Both 1st and 2nd contract must reach at least a 75% completion rate before a new Pre-App for a 3rd contract will be accepted
- Repeat Contractor Rule described above starts over with 3rd contract.
- Contractor may earn a maximum of \$2.5M over 4 contracts.
- Critical Proposals, Alternatively Funded Projects, Small Business Projects, and MECs (including JATCs) are exempt from the Repeat Contractor Rule. Any Contractor desiring exemption from the rule may request an exemption with Executive staff.
- Since MECs are exempt, they must have at least four (4) participating employers identified on their contract.

Support Costs

- Multiple Employer Contract (MEC) support costs will be 8% of training costs for retraining and 12% for new hire training.
- Applicants must justify the need for and amount of support costs.

Vendor/Subcontractor

- Vendor/Subcontractor are prohibited from providing both training – and project development or administration.

- This limitation applies to all ETP contractors and training vendors or a vendor that has received an exemption from Executive Staff

Single Employers

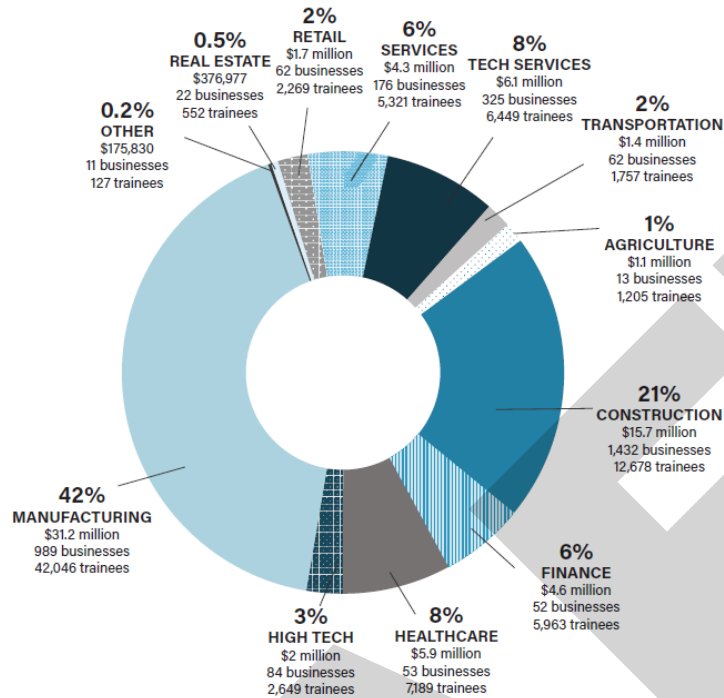
- A maximum of two amendments to add funds to any contract is allowable.
- Total project amount, inclusive of amendments, may not exceed relevant project cap.
- Amendments may not be requested until contractor has earned 70% of contract amount.
- Amendments may be for Phase II funding (new funds and new trainees) only; and,
- Panel may reduce the requested Amendment amount.
Earned = final payment has been approved by fiscal

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
- Biotechnology and Life Sciences
- Construction
- Goods Movement and Transportation Logistics
- Green/Clean Technology
- Healthcare
- Information Technology Services
- Manufacturing/Food Production
- Multimedia/Entertainment
- Technical Services

Percentage of Funding Earned by Industry



Based on FY 2017-18 funding dollars, the last completed year of data before publication (including non-priority industries).

Labor Force Priority Populations

ETP prioritizes key labor force populations, reimbursing employers at a higher rate for delivered training.

New Hire and Retrainee - Job Creation Program

- The Panel incentivizes training and retention for unemployed workers (i.e., New Hires).
- The Retrainee-Job Creation Pilot Program targets Employers:
 - training newly hired employees;
 - expanding or opening new facilities;
 - purchasing new equipment; or
 - making other measureable investments in hiring workers and expanding their California workforce.

Critical Proposals

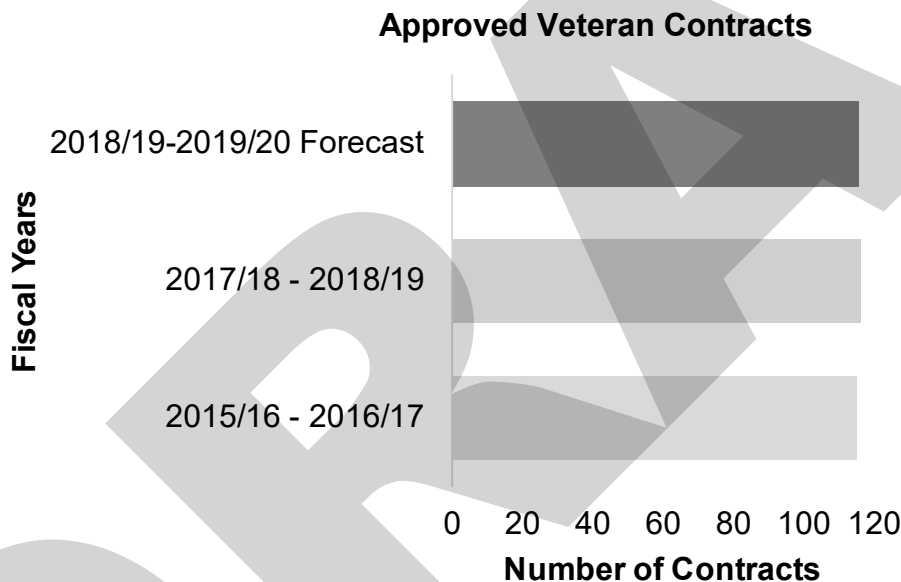
- ETP partners with GO-Biz on critical proposals with emphasis on creating new jobs in California.
- Critical proposals target industries with a growth mode and occupations associated with a company's business expansion or new location.

Small Businesses (SB)

- California small businesses employ 48.8% of the private workforce, with firms with fewer than 100 employees having the largest share of small business employment.³
- ETP incentivizes training for SB, works in partnership with the Small Business Association (SBA), GO-Biz, and CCCCCO for Small Business Development Center (SBDC) programs to incentivize training for small businesses statewide.

Veterans Program

- ETP incentivizes training to help veterans pursue high-skill, high-wage jobs.
- The number of projects serving veterans increased dramatically since the middle of this decade, with the annual total remaining strong in recent years.



Pre-Apprentices, Apprentices, and Journeymen

- ETP supports training of Pre-apprentices, Apprentices, and Journeymen demonstrating its commitment to the retention and expansion of high-wage, high-skill jobs in California.
- The Apprenticeship Training Program supports traditional construction programs.

³ United States, Small Business Administration, Office of Advocacy. "2018 Small Business Profile." *California*, 2018, <https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf>

- ETP also supports non-traditional apprenticeship programs, including the California Community College Chancellor's Office (CCCCO) California Apprenticeship Initiatives grantees.

Medical Skills and Certified Nursing Assistant (CNA) to Licensed Vocational Nurse (LVN)

- ETP is committed to training professionals in the healthcare field.
- Launched to address California's critical nursing shortage, the CNA to LVN program increases advancement opportunities and job security through training of CNAs and caregivers.
- Offering assistance and support to individuals through high quality training leading to wage progression.

Zero Emission Vehicles and Renewable Fuel Technology

- Through its partnership with the California Energy Commission (CEC), the Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP) provides workforce training in new transportation technologies for companies engaged in the development or deployment of alternative fuels and vehicle technologies.
- ETP has exhausted \$11.5 million in funding through an Interagency Agreement and is continuing its partnership with CEC beyond the term of the initial Agreement to support contracts currently in process.
- ETP participates on the Governor's Interagency Working Group on Zero-Emission Vehicles leveraging CEC funds to support workforce training in this emerging sector to expand vehicle charging infrastructure.
- Additional information is available in the Appendices/ARFTVP.

Ex-Offender/At-Risk Youth Program

- ETP provides critical job skills training to ex-offenders and at-risk-youth of becoming involved in gangs and/or criminal activities, supporting hard-to-serve populations.
- Training is emphasized to support long-term job preparation and job security to assist at-risk youth in learning work skills, enabling them to find and succeed in a career path.
- Pre-apprenticeship training is a priority, targeting occupations trained under the Governor's Career Technology Education Initiative: electricians, welders, certified nurse assistant, drafter, machine operator and computer operator.

Strategic Partnerships

ETP is legislatively mandated to coordinate with local workforce investment boards, the CWDB, and other partners in the Workforce Innovation and Opportunity Act (WIOA) to achieve effective delivery of the state's workforce resources.

ETP partners with LWDA, GO-Biz, CWDB, EDD, DAS, CCCCCO, CEC, and others at the State and local level in coordinating resources and services to assist industries and businesses. ETP continues to seek new partners with whom to collaborate, such as the Office of Planning and Research and local workforce investment boards, and leverage additional resources, such as AB 118 funding.

Apprenticeship Training Program

Implemented in 2012, ETP's Apprenticeship Training Program provides funds for pre-apprenticeship, apprenticeship, and journey-worker classroom training. To date, (FY 2012-13 to FY 2018-19), the program has approved over \$100.4 million for 197 contracts to train over 56,000 trainees.

ETP funding allows Joint Apprenticeship Training Committees (JATCs) or other program sponsors to supplement the Related Supplemental 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.

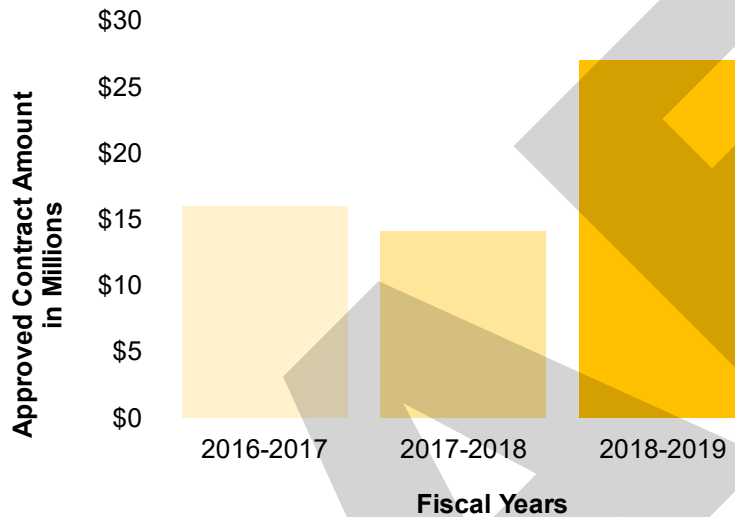
ETP participates on the LWDA Apprenticeship Task Force and works with state partners to expand the Apprenticeship model to new, non-traditional industry sectors, such as manufacturing and healthcare. Additionally, ETP is coordinating with the California Labor Federation and the State Building and Construction Trades Council, as well as other interested union and non-union partners, to continue the Apprenticeship Training 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 California Apprenticeship Council and the Interagency Advisory Committee on Apprenticeship.

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, the California Labor Federation, and ETP.
- Under the Governor's Budget, \$15 million in funding was appropriated to CCCCCO from the General Fund (Prop 98) during each of the past three years for the California Apprenticeship Initiative (CAI). The CCCCCO disbursed the funding via

competitive grants, which require grantees to expend the funds over 3-5 years. This funding is dedicated to new and innovative apprenticeship and pre-apprenticeship programs in Advanced Manufacturing, Healthcare, IT, and other priority industries. ETP will support the strongest or well performing of these programs in contract with the community college system after the CAI funding is exhausted if the programs meet basic funding criteria.

Approved Funding for Apprenticeship Training Program



Rural and High Unemployment Areas

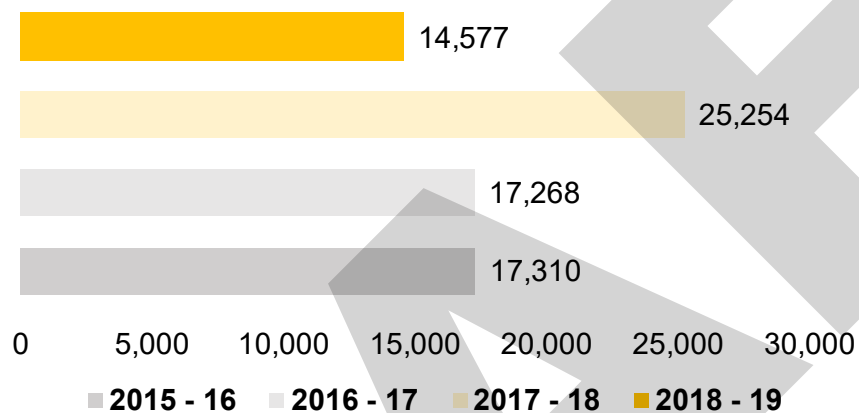
Rural Areas

- Some of the highest unemployment areas are rural regions, including the Central Valley, San Joaquin, and Imperial Valley. These areas trail the rest of the state in family income, educational achievement, healthcare access, and employment.
- ETP funded training for companies in HUAs helps stimulate local economies, serving workers who have full-time jobs and 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 standard program criteria to provide flexible retention and a lowered wage requirement.
- Though there was a decline in the funding of HUAs in 2018-19, caused by low unemployment rates, ETP continues its mission to serve the HUA populations.

HUAs

- ETP funded training for companies in HUAs helps stimulate local economies, serving workers who have full-time jobs and 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 standard program criteria to provide flexible retention and a lowered wage requirement.
- Though there was a decline in the funding of HUAs in 2018-19, caused by low unemployment rates, ETP continues its mission to serve the HUA populations.

Trainees from HUAs



APPENDIX

Want more details?

See the following sections for additional information on:

- **ETP's Priority Industries Descriptions**
- **Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP)**