

Employment Training Panel: 2019-2020 Strategic Plan

June 28, 2019

Mario Maslac
Chief of Research and
Analytics Division



New Design for the Strategic Plan

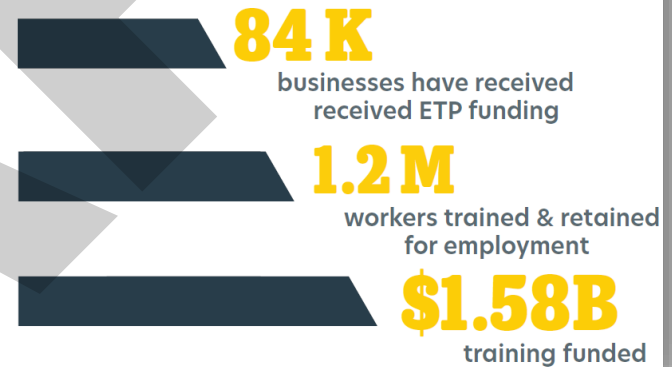
- ETP has updated the design, layout, and contents of the Strategic Plan again this year.
- Added more images, graphs, and charts to make information more visually accessible.
- The Strategic plan now follows the same design as the recently redesigned Annual report.
- It is more concise, and presents data in a more user-friendly way.
- A big thank you to the staff of our Research and Analytics Division.



2019-2020 ETP Strategic Plan Contents:

- Vision & Mission Statements
- Introduction/Overview
- Goals & Objectives
- Improvements & Funding
- Priority Industries
- Labor Force Priority Populations
- Strategies Partnerships
- Appendices:
 - Priority Industry Descriptions
 - Alternative & Renewable Fuel & Vehicle Technology Program (ARFVTP)

Upskilling Californians Since 1982



Vision & 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 Statement:**

The ETP 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 have opportunities for advancement.
- Assist employers to successfully compete in the global economy.
- Promote the benefits and ongoing investment in employee training among employers.



Goals & Objectives

1. Enhance Economic Development Coordination
2. Target Industries that are vital to California's growth
3. Support for small businesses
4. Support Governor's initiatives
5. Increase efficiency and effectiveness



Process Improvement & Simplification

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. It will allow for the retirement of outdated systems no longer supported by industry, and provide a more efficient and user-friendly experience for both staff and customers.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 FY 2019-2020



Funding Caps 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.

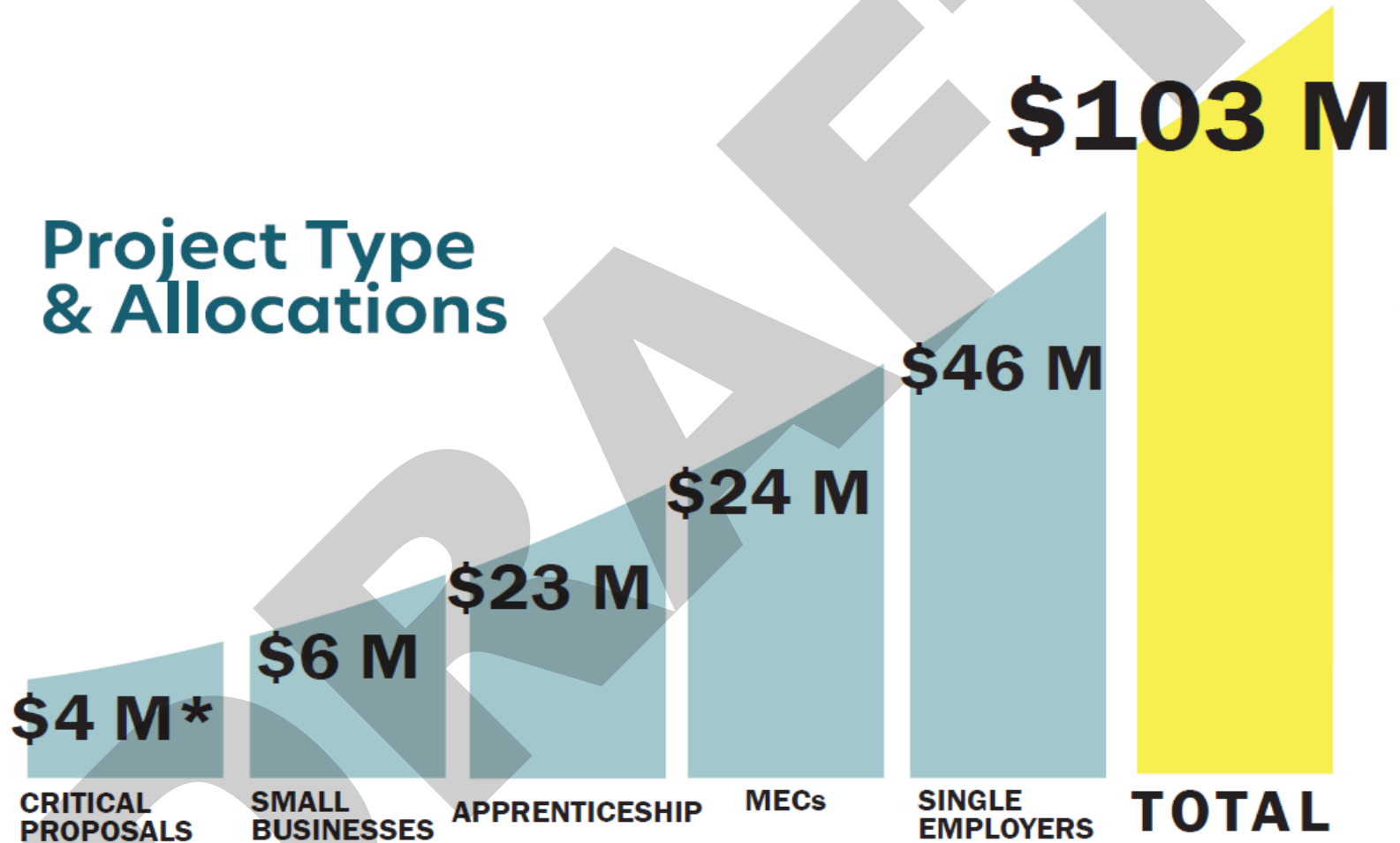
NOTE:

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



Funding Allocation

Project Type & Allocations



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

Lowest Funding Priorities and Moratoria

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 & 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. CEC funding).

Other Limitations

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.



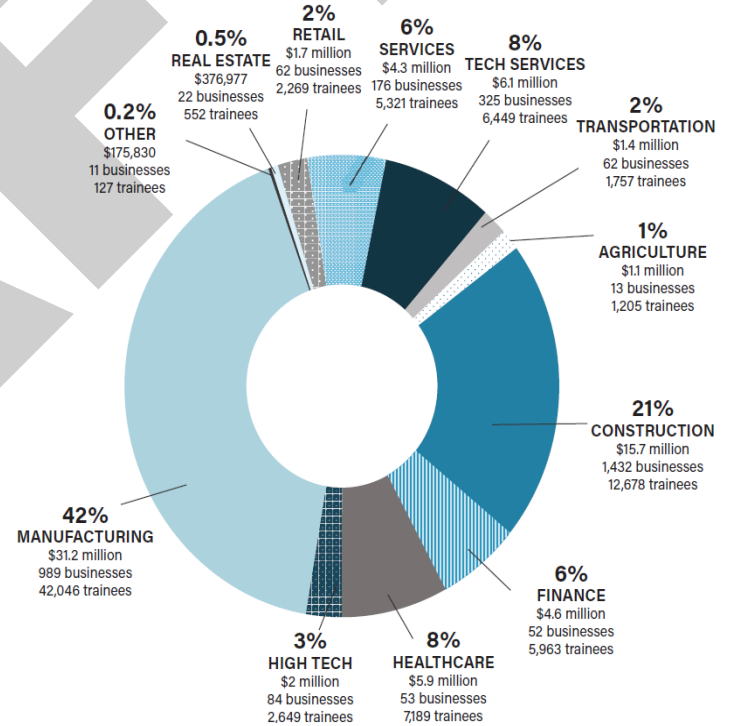
Priority Industries

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 complete year of data before publication.



Labor Force Priority Populations

- Critical Proposals
- Veterans
- Small Businesses
- New Hires & Retrainee-Job Creation
- Pre-Apprentices, Apprentices, and Journeymen
- Medical Skills and Certified Nursing Assistant (CNA) to Licensed Vocational Nurse (LVN) Training
- Zero Emission Vehicles and Renewable Fuel Technology
- Ex-Offenders/At-Risk Youth



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.



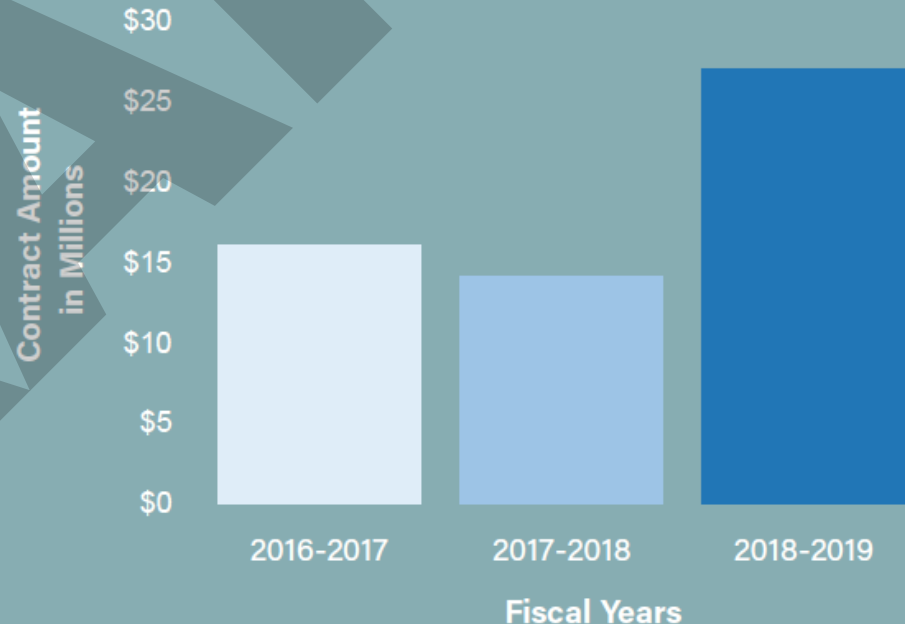
Strategic Partnerships

Apprenticeship Training Program

Implemented in 2012, ETP's Apprenticeship Training Program provides funds for pre-apprenticeship, apprenticeship, and journeyworker 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.

Approved Funding for the Apprenticeship Training Program



Appendices

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



Proposed Action

Staff recommends Panel approval of the ETP 2019-20 Strategic Plan, with the direction to staff to incorporate any desired changes, and with the delegation of authority to the Executive Director for final approval, prior to submitting the final Strategic Plan to both the Administration and Legislature.

Thank you for your time.