



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Janice Roberts, Member

Date: February 27,
2020

CC: Executive Staff
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item 3.d.
Report to Policy Committee Re: New Paid Family Leave Small Business Grant Project

- I. Brief Issue Statement: In the current proposed state budget for FY 20-21, ETP will be granted \$1M, and for each following FY, to institute the “ETP Small Business Paid Family Leave Pilot Training Program”. This new pilot program will take the form of grants to what could be considered MECs, to provide up to \$500 each for any small business with 10 or fewer employees who has been affected by the Paid Family Leave (PFL) program. The current proposed budget also devotes \$1M of ETP Core Funds in each year to be contributed to the grant, bringing the total yearly grant amount to \$2M.

- II. Background Information: The PFL program allows California workers to take paid leave to bond with a new child or to care for a seriously ill family member. Beginning July 1, 2020, this leave has been expanded from six to eight weeks. The current proposed budget also expands the 12 week non-paid protected leave to all businesses, regardless of business size.

Businesses that are impacted by the PFL program will have increased costs such as: training and upskilling existing staff to cover the duties of the employee on PFL, hiring and training additional staff to cover the duties of the employee on PFL, and the marketing, recruitment, and training costs to cover these activities.

The ETP Small Business Paid Family Leave Pilot Training Program, as indicated by the Governor’s Office, will take the form of grants to a small number of entities who will then distribute and administer the grant funding to small California businesses with less than 10 employees who have at least one employee utilizing the PFL Program. Each business may receive up to \$500 to help cover any of the costs resulting from the impact of the PFL Program.

ETP has the authority to enter into this process through Legislation codes:

10205(b)(4): which directs the Panel to develop strategies “that may include ... pilot demonstration projects designed to identify potential barriers that small businesses may experience in accessing Panel programs and workforce training resources, including barriers that may exist within small businesses.”

10215: which states that “the funding of individual project grants by the Panel may take the form of... direct grants to the employer...”.

In developing the guidelines and Solicitation for Proposals (SFP) for this grant, ETP will be considering such items as: a scoring rubric for the SFP, the required data that must be collected by the awardees, the reporting requirements of the awardees, the administration % that should be allowed for the awardees, the way funding will be distributed to the awardees (lump sum, installments, etc), and the content of any documents and/or templates that will be needed to develop, award, and administer this grant.

III. Recommendation

No action items beyond soliciting and receiving any feedback from the Policy Committee, contractors, stakeholders, and the public concerning the formation of this grant. A draft of the grant guidelines will be presented to the Policy Committee at their March, 2020 meeting, with a finalized version of the guidelines, along with the Solicitation for Proposals (SFP) for the grant, presented to the Policy Committee at their May, 2020 meeting, for consideration to be moved to full Panel for approval at the June, 2020 Panel meeting.