



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Janice Roberts, Member
Rick Smiles, 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.f.
Report to Policy Committee Re: Best Practices/Other State's Programs

I. Background Information:

Committee expressed interest in seeing how other states run their workforce development programs, to see if there were any best practices in place in other states that may be beneficial for ETP to consider implementing in our own program here.

Staff completed a research project into the workforce development programs in all 50 states. They looked at many program characteristics, including application procedures, project prioritization, small business and veteran incentives, and many other elements.

II. Findings:

- a. Many states only use federal WIOA programs for their workforce training needs.
- b. ETP is the largest workforce training program in the country by far.
- c. Many states use some sort of prioritization system for their applications, usually by either industry classification, geographical area of need, or degree of job creation.
- d. Many states have a single application submission date, and a single award notification date, due to their much smaller project budgets.
- e. Some states use a scoring system for the applications, making them more like competitive grant programs than performance-based contract programs like ETP's.

- i. In these instances, higher scores are usually given for: prioritized industries, geographical areas of greater need, smaller business size, large job creation components, and corporate headquarters.
- f. Most states have some sort of limit on how many applications from a single company may be submitted.
 - i. For example, if a company has already received funding from a different state-run program, they are not also eligible to apply for the workforce training program. Or, if the company has received an award in the past, a waiting period applies before they can apply again.
- g. Most states have project cap limits. These can be determined either by awarding a set dollar amount per trainee, through demonstrated need (ie: budget-based applications), or may be announced ahead of time (ie: all awards will be \$50,000).
- h. Most states only award Single Employers, and do not have a Multiple Employer component.
- i. Most states award grants, and do not enter into performance-based contracts with their awardees.

III. Take-Aways:

- a. ETP already implements many of the elements outlined above, such as project caps, prioritization for industry classification, and limits on how often/how many projects a single contractor may hold.
- b. The three largest differences were having a single application acceptance and award announcement date each year, awarding grants instead of performance-based contracts, and using a scoring system for the applications received.
- c. These approaches may be difficult for ETP to implement.
 - i. Since we receive at or close to 500 Preliminary Applications each year, having a single application acceptance date and a single award date would be logistically extremely difficult.
 - 1. However, we could perhaps implement quarterly application acceptance and award dates. Each quarter could be open to all project types, or dedicated to particular project types.
 - ii. Implementing a scoring system for applications would be challenging for the following reasons:
 - 1. We accept Preliminary Applications on a rolling basis, so we'd need to figure out how to score all 500 Preliminary Applications in a way that accommodates this, or would need to also implement specific

application acceptance periods, or group similar applications together into multiple scoring groups.

2. To determine the actual scoring system, we'd also need to decide if we would score all projects using the same rubric, or if we'd want to have separate rubrics for different project types (ie: MECs vs SEs).
- iii. Switching to grants would be challenging:
1. We would need to update our Regs, which currently allow fixed-fee performance-based contracts or budget-based contracts only.
 2. Our Legislation permits grants (Section 10215: "The funding of individual project grants by the Panel may take the form of either direct grants to the employer or training agency, or credit's to the employer's liability for unemployment insurance contributions or reimbursements.")
- d. Other CA workforce development related agencies already use a grant process (rather than performance-based contracts), and a scoring system is used to process the grant applications.
- i. The scoring rubric is laid out in the Solicitation/Request for Proposals (SFP/RFP) for the grant.
 - ii. The scoring rubrics are usually divided into sections, for example: project narrative, support staff/administration plan, and budget.
 - iii. Each rubric section has a series of questions that relate to the goals of the grant. Each question is given a point value.
 - iv. Extra points are often assigned for work highlighting certain populations, geographic areas, or industries.
- e. If ETP did make a scoring rubric, it could follow our Legislatively intended foci from section 10200:
- i. Create high wage jobs.
 - ii. Create high skills jobs.
 - iii. Foster retention of high wage/high skill jobs in industries threatened by global competition.
 - iv. For small and medium sized businesses whose services increase California's ability to secure other out-of-state funding (ie Federal or public sector funds).
 - v. For companies that demonstrate their own large investments into their training programs.

- vi. For projects that improve product quality and enhance productivity.
- vii. For companies who have excellent retention (low turnover), and whose training provides strong industry specific skills.
- viii. For projects that supplement, but do not displace, funds available through existing government funded training programs, and that do not replace, parallel, supplant, compete with, or duplicate already existing apprenticeship programs.
- ix. For projects that will increase California's exports and prevent out-sourcing of labor.
- x. For projects that emphasize high-level skills needed in future work environments.
- xi. For projects that train displaced workers, those subject to layoff, and those in danger of displacement or layoff due to high competition or technological advancements.
- xii. For projects that are developed by both labor and management representatives.
- xiii. For projects that develop career ladders.
- xiv. For projects that promote retention of manufacturing jobs.
- xv. For projects that are developed in coordination with other workforce development programs existing in the CA Community Colleges, EDD, GoBiz, the Business, Consumer Services, & Housing Agency, through WIOA funded programs, joint management-labor training programs, regional occupational programs, and vocational education programs.