STRATEGIC PLAN









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Letter from Assistant Executive Director Cooper

The Employment Training Panel (ETP) is pleased to present the Strategic Plan for 2020 – 2021, which offers an overview of key initiatives and efforts for the coming year.

ETP's vision is to support future-oriented, sustainable economic development and job training in California that is equitable and inclusive through strategic partnerships with business, labor, and government.

ETP is based on the power of partnerships and joint action, from our labor-management board to our thousands of annual contracts with employers and labor unions for job training to the many relationships we have across the state of California. This collaborative approach allows our funds to seed bigger changes to strengthen our economy and support Californians.

It is in partnership and with urgency that we are pivoting ETP's resources to address the major crisis facing California and the world—the COVID Pandemic.

The pandemic has caused the worst economic recession since the Great Depression and has heightened economic and racial inequality across the state.

By focusing resources on supporting workers and employers impacted by the Covid Pandemic, ETP can support disproportionately affected communities across the state and economic recovery efforts that are inclusive and equitable, and promote high-road job training.

Working together and with a sense of urgency we can make a big difference for California's workers and employers.

Peter Cooper

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ETP'S PRIORITY INDUSTRIES DESCRIPTIONS

CLEAN TRANSPORTATION PROGRAM (CTP)



VISION & MISSION STATEMENTS

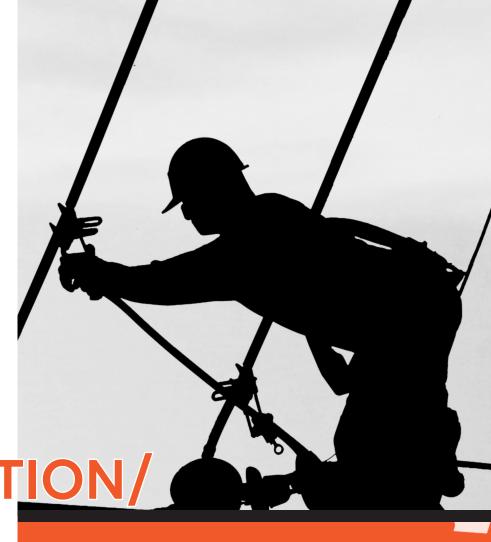
VISION:

The Employment Training Panel will support future-oriented, sustainable economic development and job training in California that is equitable and inclusive 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.
- Support high-wage, career track workforce training efforts for disproportionately affected communities.



OVERVIEW ---

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

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 California Unemployment Insurance Appeals Board (CUIAB), 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.

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.

Upskilling Californians Since 1982

1.3M
workers trained
& retained

87K
businesses
funded

\$1.7B training funded

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

GOALS & OBJECTIVES

1

Enhance Economic Development Coordination

- a. Partner with public and private, State and local economic and workforce development organizations, including GO-Biz, that target projects demonstrating 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 recovery and growth

- Target program funds to Essential Industries during COVID Shelter in Place.
- b. Target program funds to COVID-related training and Pilot Program
- c. Provide training to California's leading technology sectors.



Support for small businesses

- a. Improve outreach to small businesses through partnerships.
- b. Build strategies to guide small businesses towards MECs to improve efficiencies.
- c. Administer paid family leave pilot for Small Businesses.



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.
- 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. Expand services to injured, disabled workers, and workers with barriers to employment.
- i. Providing flexibility and support for Employers impacted by COVID.



Increase efficiency and effectiveness

- a. Increase use of Telework and E-Signature Software.
- b. Continue to maximize data security and risk management.
- c. Evaluate which recommendations from recent program assessment by SPRA to act upon and begin additional focused research.
- d. Partner with the Labor and Workforce Development Agency coordinating workforce services.
- e. Maximize funding through funding priority caps and allocations.

IMPROVEMENTS & FUNDING

Process Improvement & 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, Cal-E-Force, to improve program efficiencies and ensure comprehensive and seamless data collection and reporting. More information on Cal-E-Force is available further in this document. 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:

- 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
- ETP Committee to Assist in Policy Making

Technology



ETP relies heavily on technology for streamlining efficiencies and state mandates. It is even more evident during this critical time of the COVID pandemic, where technology makes the most impact and headway - from changing the way we communicate as we work remotely to improving organizational efficiencies and security.

The demand to transition to telework has radically transformed ETP's use of technology while simultaneously tightening security measures. The deployment of Virtual Private Network (VPN), launch of the Cal-E-Force Contract Management System on a cloud-based platform, Virtual and Webinar software, as well as the use of Digital Signature are just a few of the technological tools ETP uses to keep connected with our stakeholders.

ETP's Contract Management System: Cal-E-Force

ETP is trailblazing the use of technology by way of leveraging Salesforce, a customer relationship management (CRM) solution, to improve staff processes, productivity and assist customers. These innovative enhancements have significantly transformed ETP's business processes.

Cal-E-Force, ETP's new contract management system, has been in production for Phase 1 since July 2019 and will be deploying Phase 2 this coming fiscal year.

This new system is on the Salesforce platform, a widely known cloud-based platform integrated by many federal, state and government agencies to streamline and tackle complex processes. This system allows for rapid deployment of technology solutions to meet difficult government problems. It is technology that ETP can depend on being current over the next decade. Cal-E-Force will allow our clients to continue to work within their own training and human resource systems, providing the needed application and contract information as individual entries and/or file uploads. It provides application and contract transparency for our customers that is not available in the current paper and legacy systems used by ETP.

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This summer, many ETP customers in the legacy systems will be introduced to Cal-E-Force, with the goal to migrate active contracts in a period of months, while concurrently launching new contracts.

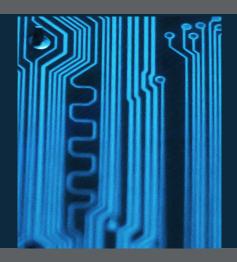
ETP will be strategically positioned to quickly support new types of training programs for California employers, a true benefit in these times of upheaval for the California employers and workforce.

What we offer and plan to offer:

TRAINING: ETP's quick and easy Reference Cards on 'How To' such as Enrollments, Hours Tracking, Invoicing, Contract Revisions, and Reports - allow users to bookmark quick information instead of long user guide documents. Video guides are also available for easy viewing. ETP's continued effort in all areas of the system includes integration of help bubbles to quickly locate information.

HELP: Questions on the new Cal-E-Force System can be found on our website under FAQ's. Additionally, the ETP Help Desk Command Center is available from Monday-Friday from 9am-4pm, with support available via email or phone. In addition, ETP has implemented a tracking module to capture customer questions, comments, or inputs, ensuring full support of our customers and to document areas of concern, for further future enhancements.

STAKEHOLDER INPUT: Customer input for ETP's new Contract Management system is our top priority. ETP has received over 500 inputs from our stakeholders varying from a user-friendly platform to better reporting options, and ETP will continue to engage stakeholders to enhance the functionality of the system.



ETP's Security on the Forefront

During the last fiscal year ETP has made great strides in improving its Information Technology Security posture. In an independent security assessment conducted by the California Military Department, ETP had some of the highest security scores among all California state agencies.

TELEWORK: At the beginning of 2020, ETP deployed a Virtual Personal Network (VPN) which allows all staff to work remotely while retaining all of the security measures implemented on its internal network. The implementation the VPN which uses **Multi Factor Authentication** as an added layer of security allowed ETP to seamlessly transition its entire workforce to Telework at the start of the COVID pandemic.

While almost 100% of ETP workforce continues to telework ETP has leveraged new virtual meeting technologies to maintain a high degree of productivity. ETP continues to use these products to facilitate internal meetings as well as meetings with ETP applicants and stakeholders.

GoToMeeting Zoom Meetings Zoom Webinars Microsoft Teams and Microsoft Skype In May 2020, ETP held its first Panel Meeting using Zoom Webinar with great success.

ETP has configured these Virtual Meeting software products to maximize security, ensuring that communications are encrypted and passwords are used by all participants.

ENDPoint Protection: Currently, ETP is on the process of deploying CrowdStrike's Falcon **Endpoint** protection software which is a cloud generation based next antivirus module. This cloud based platform uses Artificial Intelligence to stop breaches and track activity. The deployment of this module will continue to improve ETP's security posture in an ever evolving online environment.

Digital Signature

DocuSign

ETP has procured the process to using Digital Signatures through DocuSign. With this new functionality ETP can provide an efficient processes for our customers in this pandemic to sign their ETP Contracts. By using DocuSign ETP will be able to streamline any signature process, while also reducing the use of paper, reduce US mail processing time; and enhancing productivity & safety while ETP staff work remotely.

DocuSign will also be integrated into our Contract Management System, Cal-E-Force, to allow for a streamlined process to sign Contracts and Revisions and maintain this information in the system.

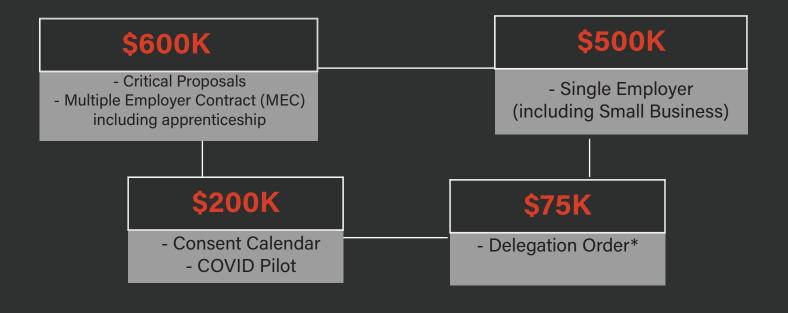
ETP also plans to set up additional functions of ETP workflows that require signature to DocuSign in FY 20-21 such as rosters, purchase orders, timesheets etc.

What is DocuSign?

DocuSign is an electronic signature service that allows ETP to collect and manage digital signatures for our documents.

Funding Caps

ETP funds the categories below up until the maximum cap is exhausted. To learn more about funding caps, please click <u>here.</u>



CLEAN TRANSPORTATION PROGRAM (CTP): Assembly Bill (AB) 118/CTP (formerly known as 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, with the exception of one additional COVID Pilot Contract.

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

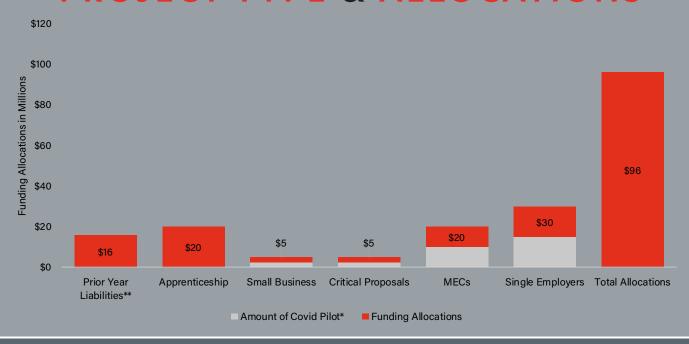
ADJUSTMENTS: The Panel has the authority to adjust caps.

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

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Funding Allocations

PROJECT TYPE & ALLOCATIONS



MORATORIUMS

Lowest Funding Priorities and Non-Priority Industries are placed on moratorium unless Governor declares they are COVID essential

- Adult Entertainment
- Commission on Retail Trades
- Gambling
- Mortgage Banking
- Multi-Level Marketing
- Training for Employees of Training Agencies
- Truck Driving Schools
- Partners & Principles in Professional Firms
- Non-Priority Industry Single Employer TBD

^{*}COVID Pilot will be limited to utilizing half of the allocations set for SEs, SBs, CPs, and MECs

^{** \$16}M will be applied to prior year liabilities to assist with transition of recession

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.

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, the employer must demonstrate 60% demand for funding; if prior performance is less than 80%, the employer must demonstrate 80% demand.

All MECs are limited to 1 contract per Fiscal Year



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Vendors/Subcontractors

- 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.

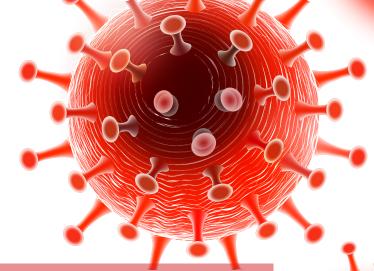
Single Employers

- 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







ETP'S COVID-19 RESPONSE

The Employment Training Panel stands ready to support workers and employers during these challenging times.

We will continue to take action to help existing contractors and fund new employers critical to our California's health and economy.

PANEL APPROVALS

March 2020

Phase I of ETP's Response plan to assist existing employers.

May 2020

Phase II of ETP's Response plan to extend and expand the existing COVID-19 Response Plan, and also approved a new COVID Rapid Reemployment and Retraining Pilot.

\$30M in FY20-21 for COVID Pilot

Responding to the new challenges for employers and workers due to the pandemic will be the key focus of ETP in Fiscal year 2020-21.

In Fiscal Year 2020-21, we will implement the new <u>COVID Rapid Reemployment and Retraining Pilot</u> which will serve as a job creation incentive and earmark funds specifically for industries that are critical to the health and welfare of Californians and the reopening of the economy during the Covid-19 pandemic, including healthcare, pharmacies, testing laboratories, medical and food manufacturing, supermarkets, and agriculture.

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RESPOND PILOT

The Rapid Employment Strategies on Natural Disasters (RESPOND) pilot was implemented by the Panel in 2014 to address the Governor declared State of Emergency, due to extreme drought conditions. As California's population, geology and climate have dictated, droughts are not the only natural disasters we may face. Fires, earthquakes, and other major disruptions to the state's economy and living conditions can arise, as the recent COVID-19 outbreak has demonstrated.

ETP continues to work with natural resources organizations across the state that enhance the resiliency of California businesses and workforce. We are expanding our engagement with GO-Biz for Wood Product Innovation for manufacturers innovating the sourcing of wood products sustainably. ETP has partnered with the California Association for Local Economic Development (CALED) Rural Consortium and RCRC to more directly engage and rural communities impacted by fire and drought. ETP is partnering with the Sierra Nevada Conservancy to engage local and regional workforce and economic development organizations integrating sustainability into forestry stewardship practices.

The California Advanced Supply Chain Analysis and Diversification Effort (CASCADE)

The California Advanced Supply Chain Analysis and Diversification Effort (CASCADE) is a grant program funded by the U.S. Department of Defense, Office of Economic Adjustment through the California Governor's Office of Planning and Research (OPR). Launched in the fall of 2017, the program aims to bolster California's defense supply chain cybersecurity resilience, innovation capacity and diversification strategies and to support the growth and sustainment of California's cybersecurity workforce through cybersecurity-related education curricula, training, and apprenticeship programs. It includes several funded projects featuring a variety of cybersecurity resilience work, in partnership with a coalition of government agencies and community, industry, and educational institutions. Activities include: cybersecurity workshops, cybersecurity compliance assistance, cybersecurity labor market and skills gap analysis, cybersecurity provider mapping and guidance, cybersecurity for space systems, and cybersecurity-related education curricula, training, and apprenticeship programs.

ETP was recognized for its successful engagement and partnership efforts under CASCADE at the Fourth Annual All California Defense Summit in Sacramento.

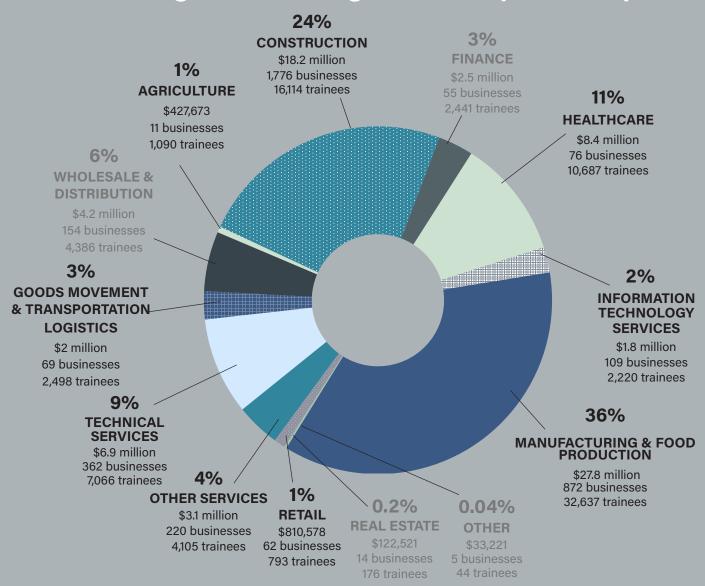
Through CASCADE, the Panel has increased the number of ETP training contracts featuring cybersecurity training addressing cybersecurity workforce needs for manufacturing and aerospace contractors within the defense supply chain. ETP serves on the CASCADE Technical Advisory Committee to promote strategic alignment and facilitate additional partnership and contracting opportunities for ETP stakeholders.

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PRIORITY INDUSTRIES

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

Percentage of Funding Earned by Industry



Based on FY 2018-19 funding dollars, the last complete year of data before publication

LABOR FORCE PRIORITY CATEGORIES



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

Labor Force Priority Categories include:

- Small Businesses
- Critical Proposals
- New Hires
- Retrainees
- Veterans
- Pre-Apprenticeships
- Zero Emission
- Medical Skills
- Ex-Offender/At Risk Youth

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 CCCCO for Small Business Development Center (SBDC) programs to incentivize training for small businesses statewide.
- Paid Family Leave Pilot

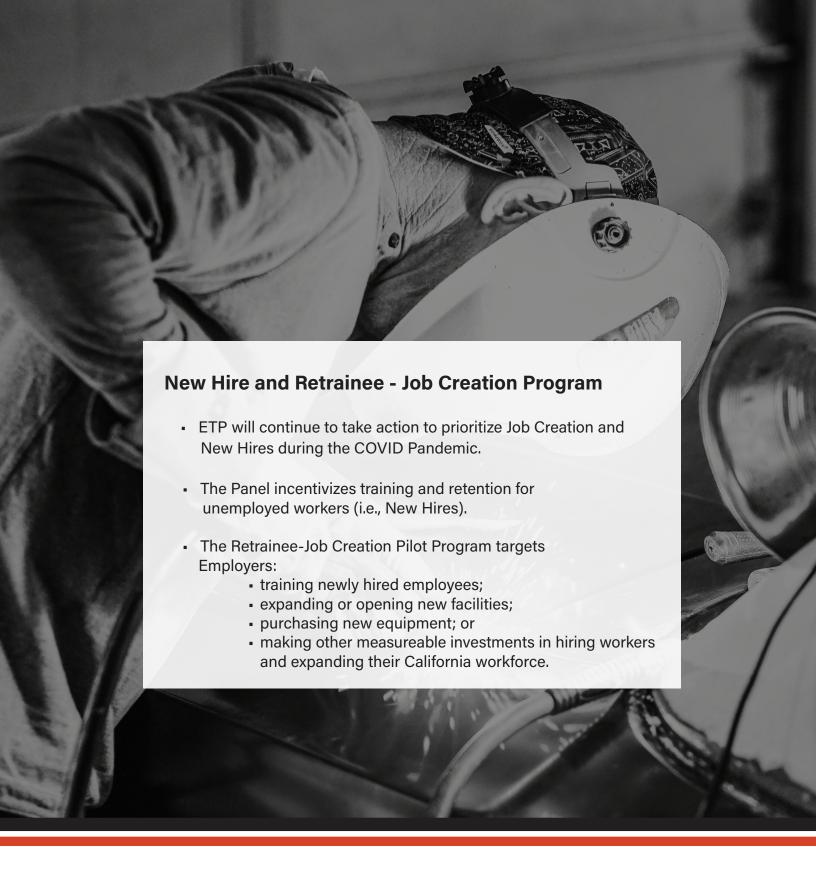


Critical Proposals

- 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.

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³ United States, Small Business Administration, Office of Advocacy. "2019 Small Business Profile." California, 2019, https://cdn.advocacy.sba.gov/wp-content/uploads/2019/04/23142641/2019-Small-Business-Profiles-CA.pdf



Veterans Program

- ETP incentivizes training to help veterans pursue high-skill, highwage jobs.
- The number of projects serving veterans increased dramatically since the middle of this decade, with the annual total remaining strong in recent years.
- To date, (FY 2014-15 to FY 2019-20), the program has approved over \$10 million for over 290 contracts to train over 6,000 trainees.



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Photo Credit: CEC/San Joaquin RTD, 2013

Zero Emission Vehicles (ZEV) and Renewable Fuel Technology

- Through its partnership with the California Energy Commission (CEC), the Clean Transportation Program (CTP) supports the development or deployment of alternative fuels and vehicle technologies by providing workforce training funds for public and private California employers adapting and incorporating new transportation technologies.
- ETP has exhausted \$11.5 million in funding through an Interagency Agreement. By serving on the CTP Investment Plan Advisory Committee, ETP will continuing its partnership with CEC beyond the term of the initial Agreement to support new and existing ETP contracts and to further address California ZEV workforce needs.
- ETP also participates on the Governor's Interagency Working Group on Zero-Emission Vehicles leveraging CTP and ETP core funding to support workforce training to support job creation and career pathways in zero emission vehicle manufacturing and infrastructure. Additional information is available in the Appendices/CEC.
- Additional information is available in the Appendices/CEC.



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

the healthcar

ETP is commated to training professionals in field.

Launched to nursing short increases adv job security t caregivers.

ddress California's critical ge, the CNA to LVN program ancement opportunities and rough training of CNAs and

through high progression.

Offering assistance and support to individuals quality training leading to wage

Ex-Offender/At-Risk Youth Program

- ETP provides critical job skills training to ex-offenders and youth at risk of becoming involved in gangs and/or criminal activities. Training emphasizes long-term job preparation and also includes ancillary soft skills to assist reentry and at-risk youth in learning work skills, enabling them to find and succeed in the early stages of a career path.
- ETP has prioritized Pre-Apprenticeship training models and targeting occupations identified under the Governor's Career Technology Education Initiative, including electrician, welder, certified nurse assistant, drafter, machine operator and computer operator as part of its Ex-Offender/At-Risk Youth engagement. ETP has also strengthened partnerships with businesses and employers within the California Career and employers within the California Career Technology Education Advisory Group.
- By supporting workforce development for ex-offender reentry and at-risk youth training, ETP is directly serving these hard-to-serve populations and traditionally economical disadvantaged communities.



Credit and Permission RichmondBUILD, 2017-2020

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STRATEGIC PARTNERSHIPS

Department of Better Jobs and Higher Wages - Aligning Fragmented Workforce Programs

Governor Newsom's Administration has proposed new department within our Labor & Workforce Development Agency (LWDA), the Department of Better Jobs and Higher Wages (BJHW). This consolidated Department will better align these fragmented workforce programs and be comprised of:

- Employment Training Panel
- California Workforce Development Board
- Workforce Services Branch and Labor Market Information Division, which are currently in the Employment Development
- Division of Apprenticeship Standards at the Department of Industrial Relations

The goal of unifying these programs is to create more effectiveness and efficiency in serving Californians and their career goals, along with employers and their business needs.

Historically the state has created workforce programs in various entities in response to specific needs and available funding. This has resulted in a fragmented workforce system. Such programs include the Workforce Innovation and Opportunity Act Program in the California Workforce Development Board, employer services funded by the Wagner-Peyser Act in the Employment Development

Department, and the Apprenticeship USA grant within the Department of Industrial Relations. As rapid advancements in technology, automation, and artificial intelligence reshape the economy and the nature of work, more needs to be done to promote high-quality jobs and economic security for workers, families, and communities.

ETP will continue to support greater collaboration with these partner agencies and this reorganization process during the 2020-21 fiscal year and beyond.

Partnerships allow ETP to multiply the impact of our funds and resources. Alternative sources of funding from partner agencies can allow ETP to respond to workforce training in new and emerging economic sectors.



In 2020-21, ETP will seek out new partnerships to support the work of Governor Newsom's Future of Work Commission, particularly those focused on supporting underserved populations and communities.

https://www.labor.ca.gov/labor-and-workforce-development-agency/fowc/



Photo Credit: Hospitality Training Academy, 2018

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Partners and Intermediaries

State Government Partners:

- California Future of Work Commission
- Governor's Office of Business and Economic Development (GO-Biz)
- California Community Colleges (CCCCO)
- California Department of Rehabiliation (DOR)
- California Energy Commission (CEC)
- California Innovation Hub
- California Office of Planning and Research (OPR)
- California Forest Management Task
 Force
- Sierra Nevada Conservancy
- California Sustainable Freight Action Plan Advisory Committee
- California Advanced Supply Chain Analysis and Diversification Effort (CASCADE)
- Local Workforce Development Boards

Workforce intermediaries and associations from the labor, business, and non-profit sectors:

- California Labor Federation (CLF)
- California State Building and Construction Trades Council (SBCTC)
- Service Employees International Union (SEIU)
- United Food and Commercial Workers (UFCW)
- International Brotherhood of Teamsters (IBT)
- Hotel Workers Union (UNITEHERE)
- California Manufacturers and Technology Association (CMTA)
- California Manufacturing Technology Consulting (CMTC)
- California Workforce Association (CWA)
- California Association for Local Economic Development (CALED)
- Asian Neighborhood Design
- Rising Sun Center for Opportunity
- Local Chambers of Commerce

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 2019-20), the program has approved over \$125 million for 206 contracts to train over 56,000 trainees.

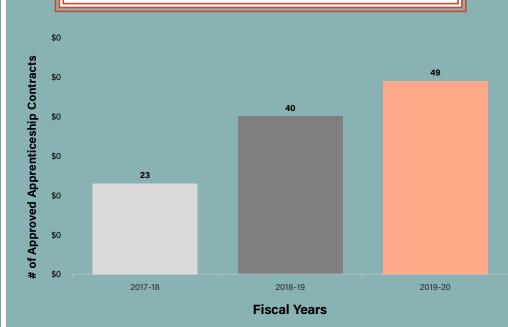
ETP funding allows Joint Apprenticeship Training Committees (JATCs) or other program sponsors to supplement the Related Supplemental Instruction (RSI) portion of training. The program funds up to 200 hours of RSI training, plus 10 hours of OSHA10 training for apprentices in their second year and beyond. ETP also funds Pre-Apprenticeship and Journeyman training.



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

Approved Apprenticeship Contracts



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ETP 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.

 ETP continues to work with the CCCCO California Apprenticeship Initiative to support new and innovative apprenticeship and pre-apprenticeship programs in Advanced Manufacturing, Healthcare, IT, and other priority industries.



RURAL & HIGH UNEMPLOYMENT AREAS

Rural Areas

Some of the of highest unemployment areas (HUA) 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.

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.
- In 2019-20, ETP funded 6,774 trainees

 a decline from recent years. The improvement of the California economy caused a reduction of trainees.
 However, ETP forecasts a high rate of unemployment in the coming years from COVID-19 impacts, and continues its mission to serve the HUA populations.

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RESEARCH & ANALYTICS **DIVISION**

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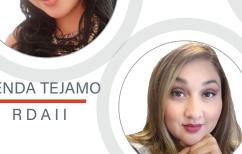


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APPENDICES

Want more details?

See the following sections for additional information on:

- ♦ ETP's Priority Industries Descriptions
- **♦** Clean Transportation Program (CTP)

ETP's Priority Industries Descriptions

Agriculture

California continues to set the pace for the rest of the nation as the country's largest agricultural producer and exporter. ¹ For the 2017 crop year, California agricultural exports totaled \$20.56 billion. ² Over 27 percent of California farms generated commodity sales over \$100,000, greater than the national average of 20 percent. The State's 77,100 farms and ranches received over \$50 billion for their output; this revenue was led by the dairy industry followed by grapes and almonds. Of the top 57 commodities exported, 21 showed an increase in export value of 5 percent or more. California remained the leading state in cash farm receipts in 2017 with combined commodities accounting for over 13 percent of the U.S. total. California's leading crops remained fruits, nuts and vegetables. ³

Allied Healthcare

Allied healthcare occupations generally support nurses and certified skilled medical workers. Many employees work at the bedside or behind the scenes to prevent disease transmission, provide laboratory, imaging, and other critical services to diagnose and treat and rehabilitate patients of all ages.

Healthcare is one of the state's highest growth industries. By 2050, California's population is projected to reach 50 million people.⁴ 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 is 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

Home to the largest life sciences cluster in the world and a source of the greatest number of products in clinical development, California is a global leader in biotechnology and medical technology. California's life sciences community helps people around the world, as innovators from the San Francisco Bay Area to San Diego tackle many unmet challenges in healthcare, energy production, agriculture and other areas.

¹ "California Agriculture Statistics Review 2017-2018," *California Department of Food and Agriculture*, p 8, https://www.cdfa.ca.gov/statistics/PDFs/2017-18AgExports.pdf. Accessed 7 April 2020.

² "California Agricultural Exports 2017-2018," California Department of Food and Agriculture, p 105 https://www.cdfa.ca.gov/statistics/PDFs/2017-18AgExports.pdf. Accessed 7 April 2020.

³ "California Agricultural Statistics Review 2017-2018," *California Department of Food and Agriculture*, p 2, https://www.cdfa.ca.gov/statistics/PDFs/2017-18AgReport.pdf. Accessed 7 April 2020.

^{4 &}quot;California's Population," Public Policy Institute of California, par 1, 2018, https://www.ppic.org/publication/californias-population/

Next to new treatments, the most important thing the life sciences sector produces is economic growth. In 2017, life sciences companies directly employed 311,226 Californians, a 4.2 percent increase over the previous year. Indirect and induced employment brings that total to 958,000. The industry is second only to computer technologies among high-tech industries in California employment.

As the overall economy has grown, California's life sciences community has more than kept pace. In 2018, there were 3,418 life sciences companies in the state—169 more than the previous year. California leads the nation with 3,249 life science companies employing close to 298,709 people, and earning \$169 billion in annual revenues. California also has the highest concentration of worldclass research institutions with an impressive \$6.7 billion attracted in venture capital in 2017, which ranks number one in the nation. 5

Construction

Due to overall economic and population growth, demand for new buildings, roads, and other structures, is expected to increase creating new jobs in construction and extraction occupations. An additional 10 percent increase in construction and extraction occupational employment is projected from 2018 to 2028, faster than the average for all occupations and a gain of about 704,000 new jobs.⁶ The Employment Development Department's Labor Market Information Division (LMID) reports Painters, Construction and Maintenance as one of the top 10 fastest growing occupations with a 38.4 percent change of employment projected between 2012 -2022.

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, state and local partnership transportation projects, and improvements to streets, levees, and roads. 8 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.

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 (LEED) certification.9 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.

⁵ California Life Sciences Industry Report, California Life Sciences Association, 2019, http://info.califesciences.org/2019report. Accessed 4 April 2020.

⁶ Occupational Outlook Handbook, Construction and Extraction Occupations, Bureau of Labor Statistics, 2020, https://www.bls.gov/ooh/ construction-and-extraction/home.htm. Accessed 24 April 2020.

⁷California Occupational Employment Projections Between 2012-2022, Fig 1, The top 10 Fastest Growing Occupations with the Highest Percent Change of Employment Between 2012-2022, p 2, 19 September 2014, Employment Development Department, https://www. labormarketinfo.edd.ca.gov/file/occproj/cal\$occnarr.pdf_Accessed 24 April 2020

⁸ Budget Summary 2020-21, Infrastructure, Department of Finance http://www.ebudget.ca.gov/2020-21/pdf/BudgetSummary/Infrastructure.

pdf_ Accessed 24 April 2020.

9 "LEED is Transforming the Way our Buildings and Communities are Designed, Built and Operated," USGBC Central California, 2015, www. usgbccc.org/LEED. Accessed 12 June 2018.

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 2019, California exported \$173 billion in products – a 2.7 percent decrease from 2018. ¹⁰ The state's prosperity is tied to exports and imports of both goods and services by California-based companies, to exports and imports through California's transportation gateways, and to movement of human and capital resources. ¹¹ The 2020 Trade Corridor Enhancement Program provides three years of programming FY 2020-21 through FY 2022-23, for an estimated total of \$1.001 billion of funds for infrastructure improvement projects for this vital industry. ¹² These projects will more efficiently enhance the movement of goods along corridors that have a high freight volume. ¹³ Freight movement generates about a third of California's \$2.2 trillion economy with more than 5 million California jobs in freight-dependent industry. ¹⁴ 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.

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. ¹⁵ In July 2019, Governor Newsom approved the Wildfire Safety & Accountability Legislation (AB 1054) which moved our state toward a safer, more affordable and reliable energy future and continue California's progress toward meeting our clean energy goals. ¹⁶

California's pioneering clean energy movement is advancing a strong economy by simultaneously increasing revenues and employment gains while sustaining a healthy environment. Green/clean technology encompasses innovation, creating a vibrant and clean market, growing efficiency savings for businesses, and leveling the playing field for renewal energy to compete fairly with polluting sources of energy. Industries with significant presence in the state include: Advanced Grid Technologies, Advanced Electricity Generation, Building Energy Efficiency, Advanced Transportation and Advanced Fuels. ¹⁷

¹⁰ "State Exports from California." United States Census Bureau, 13 Apr. 2020, https://www.census.gov/foreign-trade/statistics/state/data/ca.html

¹¹ "Trade Statistics." CalChamber Advocacy, 2020, https://advocacy.calchamber.com/international/trade/trade-statistics/

¹² California Transportation Commission, "2020 Trade Corridor Enhancement Program Guidelines." March 25, 2020, p. 4.

¹³ "Trade Corridor Enhancement Program (TCEP)." California Transportation Commission, 2020, https://catc.ca.gov/programs/sb1/trade-corridor-enhancement-program

¹⁴ "Trade Corridor Improvements." Rebuilding California SB1, 2020, <u>rebuildingca.ca.gov/trade-corridor.html</u>

¹⁵ Renewables Portfolio Standard (RPS), California Energy Commission, <u>www.energy.ca.gov/portfolio/</u>. Accessed 11 June 2018.

¹⁶ AB-1054 Wildfire Safety & Accountability Legislation Governor Newsom Signs Bills to Enhance Wildfire Mitigation, Preparedness and Response Efforts https://www.gov.ca.gov/2019/10/02/governor-newsom-signs-bills-to-enhance-wildfire-mitigation-preparedness-and-response-efforts/ Accessed 29 April 2020.

¹⁷ "Advanced Energy Generated New Jobs At Six Times the Rate of the Overall California Economy," *Advanced Energy Jobs in California* 2016, http://info.aee.net/hubfs/PDF/california-jobs-report-2016.pdf?t=1462473190835

A report on Clean Jobs California, indicated the state has more than half a million workers across clean energy industries and remains far and away the nation's shining example of clean economic prosperity.18 According to the same 2019 report by E2 on Clean Jobs California, one out of seven clean energy jobs in America are located in California and sixty percent of California's clean energy employment is in the construction and manufacturing industries.¹⁹ Thirty percent are performing jobs in the Advanced Electricity Generation segment and the remainder performing jobs in Advanced Transportation, Advanced Grid and the Advanced Fuel sectors. Driven by strong supporting policies and a remarkable industry growth, the Green/clean sector continues to reinforce California's solid economy and lead the United States in the clean tech market.

Information Technology Services

The Information Technology (IT) industry has powered the growth of the world economy as organizations are driving efficiency, delivering quality services through innovative solutions. In 2019, California continued its rank as the nation's leading cyber-state. 21 California ranked #1 in:

- High-tech employment of 1,866,951 workers, with 61,195 net new jobs added from 2018-19
- Highest tech wages nationally, with annual average wage of \$165,900
- High-tech payroll of \$493 billion
- High-tech businesses: 66,084 and
- Highest Innovation Per Capita.

Information Technology Services is a fast-growing industry, with employment in computer systems design and related services projected to increase by 56.4 percent by 2024. 22 The Bureau of Labor Statistics (BLS) expects tremendous employment opportunities in the industry as the demand for computer-related occupations face significant growth due to rapid advances in artificial intelligence, cloud computing, big data, and information security.

Manufacturing/Food Production

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. With the top ten manufacturing and food production employers based in California, its workforce accounted for a total of over 1.6 million employees, producing more manufacturing jobs than any other state.²³ California is the highest ranking state for manufacturing jobs in the country. In 2018, the total output from manufacturing in California was \$316 billion, accounting for 10.7 percent of the state's total output and employing 7.7 percent of the state's total workforce.²⁴

¹⁸ E2 Report on Clean Jobs California 2019, https://e2.org/reports/clean-jobs-california-2019/. Accessed 29 April 2020.

¹⁹ E2 Report on Clean Jobs California 2019, https://www.e2.org/wp-content/uploads/2019/08/E2-Clean-Jobs-California-2019.pdf. Accessed 29 April 2020.

Precision Agriculture, High Tech Heads for the Farm, Sept. 2013, https://www.caseyresearch.com/articles/high-tech-heads-for-the-farm/ Accessed 13 June 2018.

²¹ "California: State of Technology Summary," *Cyberstates 2020*, CompTIA Research Report, p 22, March 2020,

https://www.cyberstates.org/pdf/CompTIA_Cyberstates_2020.pdf. Accessed 13 April 2020.

22 Wolf, Michael and Dalton Terrell, "The High-Tech Industry, What is it and Why it Matters to Our Economic Future," Beyond the Numbers: Employment & Unemployment, vol. 5, no. 8 (U.S. Bureau of Labor Statistics, May 2016), www.bls.gov/opub/btn/volume-5/the-high-tech-industry-what-is-it-and-why-it-matters-to-our-economic-future.htm.

May 2019 State Occupational Employment and Wage Estimates. Bureau of Labor Statistics, 2020, www.bls.gov/oes/current/oes_ca.htm. ²⁴ 2019 California Manufacturing Facts. *National Association of Manufacturers*, 2020, https://www.nam.org/state-manufacturing-data/2019- california-manufacturing-facts/.

Multimedia/Entertainment

Multimedia/Entertainment and the motion picture industries remain a staple of the State's economy, providing significant employment multiplier effects on the economy, creating highwage, high-skill jobs which extend beyond the motion picture industry as an essential source of economic activity, tax revenue and tourism in California. This industry contributes roughly \$50 billion dollars annually to our state's economy. ²⁵

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 five-year program increased fiscal year funding from \$100 million to \$330 million annually through FY 2019-20, and in 2018, it was extended for an additional 5 years. The first three fiscal years of Program 2.0 produced substantial economic impact. Approved productions are on track to generate nearly \$8.4 billion of direct in-state spending. This includes \$3 billion in qualified wages, and hiring more than 27,000 cast and 36,000 crew members, and 558,000 background peformers. ²⁶

Technical Services

According to the US Bureau of Labor Statistics (BLS), the technical services sector comprises establishments that specialize in performing technical activities for others, which require a high degree of expertise and training.²⁷ 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. In March 2020, over 1.3 million Californians were employed in the Professional, Scientific, and Technical Services industry sector.²⁸ Prior to the COVID-19 outbreak over the 12 month period from February 2019 to February 2020, the Professional, Scientific, and Technical Services sector posted a 2.8% job gain percentage, adding 5,500 positions in February 2020 alone. "California entered the COVID-19 crisis from a strong position. Together with federal stimulus and a return to some degree of normalcy within a couple of months, the economic hardship could be somewhat temporary ... according to analysis released jointly by Beacon Economics and the UC Riverside School of Business Center for Economic Forecasting and Development, However, there could be longer-term hardship if this unprecedented draw down in consumption endures into the summer."29

²⁵ Background, Legislative Analyst's Office, 29 September 2016, www.lao.ca.gov/Publications/Report/3502.

²⁶ Executive Summary, *California Film Commission*, p 5, November 2019, http://film.ca.gov/wp-content/uploads/CA-Tax-Credit-Progress-Report-2019.pdf

²⁷ "Industries at a Glance." U.S.Bureau of Labor Statistics, 17 April 2020, <u>www.bls.gov/iag/tgs/iag54.htm</u>

²⁸ "All Employees: Professional, Scientific, and Technical Services in California." FRED© Economic Data, 17 April 2020, <u>fred.stlouisfed.org/</u> series/SMS0600006054000001.

²⁹ 29 "California's Strong Job Growth Pre COVID-19 Better Positions State for Recovery." Inland Empire Business Journal, 27 March 2020, iebizjournal.com/californias-strong-job-growth-pre-covid-19-better-positions-state-for-recovery/.

Clean Transportation Program (CTP)

Created in 2007 and administered by the California Energy Commission (CEC), CTP, formerly known as Alternative and Renewable Fuel and Vehicle Technology Program (ARFVTP), strives to transform California's fuel and vehicle types to meet the state's climate change policies. ETP's partnership with CEC was established to implement a training program in alignment with the goals and objectives of AB 118.

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. In FY 2020-21, ETP will receive ongoing reimbursable authority of \$3 million until the sunset date of the ETP and CEC partnership on March 30, 2021.

ETP serves on the CTP Investment Plan Advisory Committee to provide input and develop new workforce development partnerships. ETP will be continuing its partnership with CEC beyond the term of the initial Agreement to support new and existing ETP contracts and to further address California ZEV workforce needs.

Governor's Interagency Working Group on Zero-Emission Vehicles

On January 26, 2018, Governor Brown signed a Zero-Emission Vehicle (ZEV) Executive Order, which implements his call for a new target of 5 million ZEVs in California by 2030, which will help significantly expand the vehicle-charging infrastructure.

Coordinated by GO-Biz, ETP participates on the Governor's Interagency Working Group by supporting job training in this sector with CEC funds from the CTP program and advises the working group on workforce development policy. ETP provides engagement support to GO-Biz for ZEV manufacturers and job creation projects supporting ZEV technology and infrastructure.



Employment Training Panel

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

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