



Employment Training Panel

Memorandum

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

Date: July 16, 2020

CC: Executive Staff
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item 3.a.
Report to Policy Committee Re: Union Letters

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- I. Brief Issue Statement: As you know, ETP has a requirement that prospective contractors obtain a union letter of support for any trainees covered by the union's Collective Bargaining Agreement (CBA) who will participate in the ETP training contract. Recently, staff have observed a trend of union support letters being submitted well after the contract term has begun, and have received some comments that the proposed training plans for the ETP contracts, and the opportunity to participate in developing the proposed training plans, have not been shared with union representatives.

In order to address these concerns, ETP will be following the regulatory requirements in place for requesting and obtaining union support for proposed training contracts, and has developed sample 'notice of intent' and 'union support' letter templates for stakeholders to use.

- II. Statutory and Regulatory Union Support Requirements:

ETP Legislation:

10209(b): The Panel shall not approve any training proposal which facilitates the change in ownership of a business leading to the likelihood that an existing collective bargaining agreement would be declared void.

10205: The Panel shall do all of the following:

10205(e): Establish minimum standards for the development of proposals, which shall include, but not be limited to, evidence of labor market demand, the number of jobs available, the skill requirements for the identified jobs, the projected cost per person

trained, hired, and retained in employment, the wages paid successful trainees upon placement, and the curriculum for the training. No proposal shall be considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.

Regulations:

4404: Collective Bargaining Agreements:

(a) Prior to presenting an application for a proposed training project to the panel, the contractor shall notify the appropriate collective bargaining agent which represents workers for whom training is proposed of its intent to apply for Panel funding. The notice of intent shall contain the information regarding the proposed training, the impacted employee population, the name of the collective bargaining agent, and the effective date of the application.

(b) Upon receipt of the notice of intent pursuant to subdivision (a), the labor organization representing effected workers shall notify the panel, in writing, of its concurrence with the contractor's proposal. The written notification shall be signed by an authorized representative of the collective bargaining agent and received by the panel prior to further development of the agreement. The labor organization shall have the opportunity to participate in the agreement's development.

III. Analysis:

The Legislation and Regulations are very clear that union support must be obtained prior to the development (and by default prior to the approval) of any ETP training proposal.

- Leg 10205(e): "No proposal shall be *considered or approved*..."
- Regs 4404(a): "*Prior to presenting an application*... the contractor shall notify the appropriate collective bargaining agent... The notice of intent shall contain..."
- Regs 4404(b): "the labor organization... shall notify the panel, in writing, of its concurrence with the contractor's proposal. The written notification shall be... *received by the panel prior to further development of the agreement. The labor organization shall have the opportunity to participate in the agreement's development.*"

The current ETP procedure with regards to the timing of submission of the union support letters is more relaxed than what is required under our Regulations; namely: we currently allow support letters to be submitted after development begins, and even after Panel approval, as long as the support letters are obtained before training begins. This practice does not guarantee that labor organizations have the opportunity to participate in the development of the proposed contract (although it may, if the letters are simply late in being generated).

IV. Solution:

ETP is implementing a few things that will help us to meet the requirements laid out in the Regulations.

First, we have created templates for both the Notice of Intent that companies would send to their unions, and for the Union Support letters that the unions would provide back to ETP. These templates are attached. Contractors are not required to use these templates, however they are welcome to if it makes it easier for them. If they choose not to use the template, then their own versions of the Notice of Intent and Union Support letters must contain all of the same information as what appears in the templates.

Second, the ETP application, when submitted by the due date, must contain the Notice of Intent and Union Support letters, in order to comply with Regulations. If a company is unable to obtain a Union Support letter, then they have the option of submitting the application, including only those trainees who are not covered by the union's collective bargaining agreement. Or, they may wait to submit their application until they are able to obtain the Union Support letters, if they want to include the union trainees in their projects. If an application is received for union trainees without the Union Support letter, then the entire application will be returned to the contractor as incomplete, and the project will be placed in inactive status.

Third, an Exhibit E is being added to the ETP contract templates. This Exhibit E will state that the involved unions received the Notice of Intent letter, that the Notice of Intent letter contained all of the necessary information in it, that the labor organization was able to participate in development of the proposed project, and that they are in support of the training curriculum for the project. The Exhibit E language is also attached. Contracts approved from the **August, 2020** Panel meeting and onwards will have this language included.

V. Recommendation:

No action is necessary on this item, however, any feedback or comments are welcome.

Union Local Letterhead

Union Support Letter Sample Template

July 1, 2020

Employment Training Panel
1100 J Street
Sacramento, CA 95814

Dear Panel Members,

We understand the ABC Company is requesting ETP funding. The proposed training plan for the specified members has our support.

(Exhibit language must be included in the Union letter of support)

Exhibit E

The Union with respective Local(s) has received a Notice of Intent to train Collective Bargaining agreement represented workers. In accordance with ETP regulation 4404, the Notice of Intent contained the information regarding the proposed training, the impacted employee population, the labor organization opportunity to participate in the agreement's development, and the effective date of the application.

By way of this letter of support, the undersigned, as an authorized labor representative of the covered union workers during the period of training described above concurs with the proposal, inclusive of the specified training and the covered members in the training plan reviewed. Any restrictions to the support provided which are outside of the specifics of the training plan approved by the Panel are between the Contractor and the Union as a condition of continued support.

Sincerely,

ETP Proposed Contractor Letterhead

Notice of Intent Sample Template

Date:

**ETP Proposed Contractor Name
Contact Information**

ETP Reference / ET Number

To: Union Name & Local

RE: Notice of Intent

Projected Effective Date of ETP Contract/Revision:

CBA Represented Workers: (i.e. Electricians, Carpenters)

As a proposed Contractor requesting State of California Employment Training Panel funds, the following serves as a Notice of Intent in accordance with ETP regulation § 4404. Collective Bargaining Agreements, which states:

Prior to presenting an application for a proposed training project to the panel, the contractor shall notify the appropriate collective bargaining agent which represents workers for whom training is proposed of its intent to apply for Panel funding. The notice of intent shall contain the information regarding the proposed training, the impacted employee population, the name of the collective bargaining agent, and the effective date of the application.

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1. Information Regarding the proposed training plan: (Attached / the following is information regarding the training plan)

2. Occupations & number of workers planned covered under the Collective Bargaining Agreement (CBA) as specified in the proposed training plan: ([i.e. Field Staff](#))

Written concurrence with the contractor's proposal (In the form of a Union Support Letter) as specified above shall be on Union Local(s) letterhead and contain the following exhibit language to ensure the proposed Contractor's adherence with ETP Regulations:

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New Exhibit E Text

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