



Employment Training Panel

# Memorandum

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

Date: July 15, 2021

CC: Executive Staff  
Reg Javier, Executive Director  
Peter Cooper, Assistant Director  
Jaime Gutierrez, Chief Deputy Director

From: Willie Atkinson Jr., Assessment and Program Division Manager

Subject: ETP Policy Committee Meeting Agenda Item 4.a.  
Report to Policy Committee Re: Apprenticeship Funding for FY 21/22

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I. Brief Issue Statement:

Each fiscal year, starting with FY 12/13, ETP has funded Apprenticeship programs for recurring and first-time contract holders; which includes new standalone contractors who have participated under a previous contract. Since the FY15/16, the number of Apprenticeship contracts funded per year has increased by 117%, with (28) in FY15/16 and (61) in FY 20/21, the largest number of contracts to date. As interest in ETP continues to rise, from the diverse Apprenticeship programs statewide, the funding capacity to provide support is adversely effected. In particular, in the current fiscal year, there has been a drastic reduction in the apprenticeship allocation, as compared to the previous year.

In an effort to remain a committed strong partner with Apprenticeship programs statewide, ETP is seeking equity in the funding of these projects for FY21/22.

II. Background Information:

Apprenticeship projects for FY 21/22 have been allocated \$11.2M in funding. Currently, ETP has received 57 preliminary applications (93% of contracts approved in FY20/21) requesting funds to train Pre-Apprentices, Apprentices and Journeyworkers, equating to approximately \$26.6M in demand. Fully approving each requested amount, by our current first in first out process, would only fund 26 proposals, and exhaust the allocation early in the fiscal year. In addition, ETP has historically received request throughout the fiscal year, however, any submitted later in this year would not be funded.

In FY20/21, repeat contracts were reduced by 49% of the previous approved contract amount and first time contracts were reduced by the same percentage using the requested amount. This reduction enabled all proposals to be approved within the allocation.

To ensure projects are funded in a manner that is equitable, ETP is recommending the following changes pertaining to the Apprenticeship allocation in FY 21/22:

1. **Fund Apprentice trainees only:** Since FY15/16, 89% of the total earned funds by Apprenticeship contracts have been paid for trainees in an Apprenticeship Job Number. Currently, Pre-Apprentices and Journeyworkers may receive funding under an Apprenticeship contract. However, targeting Apprentices reduces the demand on the allocation and allows for a shift in focus to the intent of the program.
2. **Implement a cap of \$197,368 per contract:** Utilizing the number of preliminary applications received to date (57), and the funding allocation amount (\$11.25M) enables an equitable distribution of funds.
3. **Implement a cap of \$184,426 per contract:** Utilizing the number of Apprenticeship contracts approved in FY20/21 (61), and the funding allocation amount (\$11.25M) enables an equitable distribution of funds between the 57 preliminary applications received to date and an additional 4, which may include Non-Traditional Apprenticeship programs.
4. **Reduce the requested funding amount of preliminary application's received to date by 61%; implement cap of \$196,875 for those yet submitted:** Utilizing the number (57) of preliminary applications received to date, as a percentage (93%) of both Apprenticeship contracts approved in FY20/21 (61) and the respective proportion amount (\$10.5M) of the FY21/22 funding allocation (\$11.25M), the requested funding demand of \$26.6M would need to be reduced by 61%. The remaining funding can be distributed to an additional 4 preliminary applications, which may include Non-Traditional programs, with a cap of \$196,875 each. This enables an equitable distribution proportional to the requested amount for preliminary applications already received.

### III. Recommendation

No action items beyond soliciting and receiving any feedback from the Policy Committee, contractors, stakeholders, and public concerning the Apprenticeship Funding. However, Staff will bring these recommendations to the August Panel Meeting for a decision.