



Employment Training Panel

Memorandum

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

Date: December 2,
2021

CC: Executive Staff
Reg Javier, Executive Director
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item 5.b.
Proposal/Action Item Re: Wages at Enrollment

I. Brief Issue Statement:

ETP collects wage information on participating trainees in order to ensure that the trainee has successfully completed their retention period (the period post-training where the trainee remains employed for a set number of days at a set wage level). Historically, ETP has collected trainee wage information only once during the contract term – at the final invoice for the trainee, signifying that the trainee has completed their retention period.

This FY, ETP received additional alternative funding to launch the CA Community College and Expansion Fund programs. These programs both have a mandated Legislative Report due in November, 2022. As part of the report, ETP is required to report wage progression information of the trainee participants. Hence, for these two alternatively funded programs, ETP will be collecting the trainee wages twice during the contract term – first at enrollment, to show the starting wage of the trainee, and second at the final invoice for the trainee, as per normal protocols.

ETP would like to collect wages at enrollment, as well as with the final invoice, for all of our programs – not just the new alternatively funded projects, but for our Employment Training Fund (ETF) Core projects as well.

II. Background:

As noted above, ETP has historically only requested actual wage amounts once during the term of our contracts – with the final invoice for each trainee. Collecting the wage at this point of time enables us to verify if the trainee successfully completed their retention period. This is calculated by taking the number of days/hours required in the retention

period, multiplying this by the required wage level, to result in the total minimum earnings that would be required during the retention period. We then compare this minimum earnings during the retention period to the actual amount earned during the retention period by utilizing an EDD database. This database also shows us if the trainee has been employed for the required number of days of the retention period. If the trainee has earned at least the minimal required for the retention period, they have successfully completed retention. If they end up below this threshold, then they have not successfully completed retention.

Even though we only have collected actual wage information towards the end of the contract term, ETP is statutorily required to collect and report on wage progression information of any single trainee, in a similar way that is required for the CA Community College and Expansion Funds. These requirements can be found here:

Legislation:

10201.5 – allows wage progression information from before training to post-retention to be considered for HUA trainees;

10205(g) – requires comparing the wage 12 months before training to 12 months after training for independent project evaluations;

10214.5(d)(2)(A) – allows comparing wages of seasonal workers from before/during training to post-retention wages.

Regulations:

4429(e) – requires wage progression information from before training to post-retention for all HUA retrainees.

While a few of these code sections apply only to certain populations (HUA or seasonal worker trainees), Legislation section 10205(g) requires us to be able to provide comparative wage progression information for all trainees in order to be able to complete the independent project evaluations as required.

If we add this second wage progression point – when the trainees are enrolled in addition to when they finish retention – this will bring us into compliance with our Legislation. Also – having this comparative wage progression information will allow us to better highlight the larger benefits (similar to a multiplier effect) that our programs have on the greater economy. Also, being able to provide this comparative wage progression information will give Panel another tool in assessing the strength of repeat contractor projects.

III. Recommendation:

Staff would like to know if Committee or stakeholders have any feedback or desire for more discussion on these items. Staff also requests approval to bring to Panel for

consideration the collection of wages at enrollment, in addition to at the final invoice, for all projects.