



Employment Training Panel

Memorandum

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

Date: March 2, 2022

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

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item 5.a.
Proposal Re: High Road Employer Definition

I. Brief Issue Statement:

ETP's new alternatively funded programs (funded through the General Fund (SB 129), the CA Community College (CCCCF) and Expansion Funds, have a requirement for a Legislative Report to be filed by 11/30/2022. As part of this report, ETP must include information on the participation of "high road employers" in these programs.

To meet the Legislative requirement, ETP needs to identify what defines a "high road employer", so ETP can then further report on the participation of high road employers in the two SB 129 funded ETP programs. Defining high road employers will also assist ETP with collecting additional information from program participants and with answering critical question in order to meet the Legislative reporting requirements, such as what data elements we'll need to collect and how. Our goal is to create a definition that meets ETP's needs, and is flexible enough to evolve as the industry accepted use of high road principles matures.

II. Background Information:

This topic was discussed at the January, 2022 Policy Committee meeting. Committee took many elements into consideration as they formulated a proposed definition for High Road Employers, including: the high quality of the training projects ETP already funds; the current examples of 'high road' elements in existing legislation; the common usages of 'high road' in the larger workforce system; and different ways of potentially calculating what a 'high road' wage level would be. They also reviewed two potential definition formats, heard from stakeholders, and discussed the additional, supplementary

questions that will need to be asked in order to collect enough narrative data for our required legislative report.

After brief deliberation, the Committee came to a consensus on the following as the official High Road Employer definition:

For the purposes of reporting to the Legislature on the Expansion Fund and CA Community College Fund projects, a high road employer:

- 1) Has either:
 - a. Wages at or above the SET wage (currently \$39.21/hour); and/or,
 - b. Has a CBA; and/or,
 - c. Is a participant in an H RTP

AND

- 2) Has a turnover rate less than 10%

AND

- 3) Will provide responses to a set of questions dealing with the other high road characteristics (ie: diversity/inclusion, environmental sustainability, etc.).

The additional narrative questions staff is proposing are:

- 1) Please describe the benefit packages you offer to your employees, including the contents of the packages and any waiting period employees must complete before being eligible for benefits.
- 2) Please describe what kinds of flexibility you offer to your employees (for example: different shifts, ability to telework part or full time, flexible scheduling, etc.).
- 3) Please describe your company's investments into employee growth and development.
- 4) Please describe how your company prioritizes diversity and inclusion.
- 5) Please describe how you engage your employees in your company's governance.
- 6) Please describe how your company engages with the community.
- 7) Please describe how your company promotes health and safety.
- 8) Please describe how your company contributes to environmental sustainability.

These additional narrative questions will be optional for contractors.

The actual format of the questions in Cal-E-Force (CEF) may look different, (ie: Please describe your company's high road efforts, including information on benefit packages, flexibility, employee development, diversity and inclusion, employee participation in company governance, company engagement with the community, promotion of health and safety in the workplace, and environmental sustainability efforts at your company), but the content will remain the same. The display method will be up to the CEF development team.

III. Recommendation:

Staff is requesting a motion and approval of the proposed definition and accompanying narrative questions listed above. With this approval, staff will bring this definition back to Panel for full approval in the March Panel meeting. This will allow 2 months for the CEF team to add any additional data collection points to the system, another 3 months to collect the necessary information from participating contractors, and a final 3 months for staff to write the required Legislative Report.