



Guidelines for: Workforce Literacy Pilot Program

Effective: October 28, 2022

Revision History: **02/24/2023:** Changed language to remove “will require” and replace it with “encourages” so it states “ETP encourages applicants to participate in an informational session prior to applying for this program”. **02/24/2023:** Change reimbursement rate for Distance Education/Hybrid Learning from \$19 per training hour to \$23 per training hour.

These are guidelines only. If a proposal raises the need for further modifications, consistent with these guidelines, that will be accomplished on a case-by-case basis with direction from Executive Staff. **Unless modified by these guidelines, all other program criteria apply.**

BACKGROUND

The Employment Training Panel (ETP) received \$10 Million in one-time General Fund dollars, in Fiscal Year 2022-23, to launch a new Workforce Literacy Pilot Program. This program will expand workplace literacy training throughout the State.

California is home to millions of immigrants, refugees, and English Language Learners who are an integral part of our state’s economic success. Individuals within these demographics face cultural, language, educational, and other barriers that limit their access to education and workforce development services including job-training programs that provide opportunities to gain skills and experience leading to sustainable wages.

Many of these individuals work in low paying jobs without opportunities for advancement. The high poverty, low skill levels, and low literacy levels of these populations cause hardships for these individuals and their families, often adding to higher unemployment in California.

California recognizes the opportunity to address the language, education, and skill needs of our immigrant, refugee, and English language-learner populations by engaging employers to build the skills of their workers to improve the competitiveness of their business. In doing so, the State and employers can ensure our workforce system is effectively working to lift people out of poverty and on a path to upward mobility.

Funding appropriated from the General Fund to ETP for the purpose of workforce training is defined as an “Alternative Funding Source” subject to Unemployment Insurance Code section 10214.6(a), and Section 4451(d) of Title 22 of the CA Code of Regulations. Under this authority, these guidelines are created to ensure the success of this Workforce Literacy

Pilot Program while meeting the legislative intent of expanding workforce literacy training within the State of California through ETP's existing model.

Authorizing Legislation:

Of the amount appropriated in Schedule (5), \$10,000,000 shall be made available for the Employment Training Panel to expand Workforce Literacy training. These funds shall be available for encumbrance or expenditure until June 30, 2025, and for liquidation of encumbrances until June 30, 2027.

OVERVIEW

These funds will enable eligible contractors to create or expand workplace literacy training in English, math, digital skills, workforce preparation activities, and technical skills for eligible trainees. Employer industry sectors may include: retail, agriculture, hospitality, manufacturing, janitorial, shipping, childcare, healthcare, warehousing, food production, and other relevant industries.

Because of the low wages of the intended target population and the goals of this training program to help train in basic literacy, ETP does not want to create barriers to training for potential trainees based on low wages. Research has shown that greater English literacy skills are closely correlated with higher earnings, and workplace literacy programs that help workers to build these skills can play a powerful role in economic advancement.

Any interested party will need to complete and submit an ETP application specifically for the Workforce Literacy Pilot Program. ETP will assess applications for quality training programs to ensure the intent of this program is met. ETP will open an application window for this program. ETP encourages applicants to participate in an informational session prior to applying for this program. In the event the demand for this program is greater than the allocated funding, priority may be given to first-time ETP applicants or applicants with fewer existing contracts.

Applicants will need to provide a description of their training program to include the benefits of their training to their trainees, the industry sectors, occupational priorities, pathways to upward mobility, duration and intensity of the training program, and other relevant details.

Priority will be given to programs where training includes the complementing of literacy and technical skills, such as Contextualized Instruction, which refers to the use of occupationally specific materials for instruction. Priority will also be given to programs where certifications are earned by trainees who complete the training. Priority will also be given to programs that rely more on instructor led training, including for digital skills, with or without self-paced training as a complement. No program can charge trainees for any portion of the ETP funded training.

GUIDELINES

ETP will distribute these funds through the normal process and follow the standard program rules with the exceptions laid out within these guidelines.

Approved Amount

- Contractors may apply for up to \$600k under this program
 - If all funding for this program is not awarded by June 30, 2023, or if any funding is recuperated by ETP, and a contractor can demonstrate more than seventy-five percent (75%) of potential earnings based on eligible reported (tracked) hours to ETP, then a contractor may go before ETP's Panel to request an amendment to increase funding

Contractor Eligibility

- Eligible contractors include single employers, standard Multiple Employer Contractors (MECs), organized labor (unions), community based organizations (nonprofits), workforce development boards, WIOA grant administrators/recipients, professional/trade associations, pre-apprentice programs, or training agencies
- Eligibility is also open to Community-Based Organizations (CBO) with at least two years' experience providing literacy education or workforce development services to adult immigrants, refugees, or English language learners:
 - The term "community-based organization" means a 501c3 organization of demonstrated effectiveness that— (A) is representative of a community or significant segments of a community; and (B) provides educational or related services to individuals in the community
- Because this program is funded by General Funds, employers need not be subject to payment of Unemployment Insurance (UI)
- Contractors may apply for a Workforce Literacy Pilot Program funded project in addition to a core funded program and/or other alternate funded program in the same fiscal year if those programs are not also funding the intended trainee population and training types of this program
- Concurrent enrollment is allowed for trainees within this program and a core program funded project or alternate funding program, however concurrent training hours or topics between two programs are not allowed

Trainee Eligibility

- Contractors must self-certify that all trainees participating in this program meet the following criteria of:
 - Incumbent workers, newly hired workers, seasonal workers, and/or unemployed individuals who are:
 - Immigrants; or
 - Refugees; or
 - English Language Learners

- English Language Learner is defined as an individual (at least 18 years of age at the time of enrollment) “who has limited ability in speaking, reading, writing, or understanding of the English language, and whose native language is a language other than English; or who lives in a family or community environment where a language other than English is the dominant language.”

Curriculum

- At least seventy percent (70%) of training hours for each trainee under this program must include literacy skills, with a significant portion of the literacy skills dedicated to English literacy
- Only Classroom/Laboratory, Instructor Led/Distance Learning (E-learning) and Computer-Based Training (CBT) delivery methods are allowed
 - “Classroom training” is formal instruction provided in a setting removed from the trainee's usual work environment. Trainees in a classroom must meet regularly for training in a specific skill under the constant and direct guidance of a qualified trainer. The trainer must be present at the site during all hours of training and the trainer's time must be dedicated exclusively to instruction during all hours of training
 - "Laboratory training" is hands-on instruction or skill acquisition under the constant and direct guidance of a qualified trainer. Laboratory training may require the use of specialized equipment or facilities
 - "Electronic-delivery training (E-learning)" is instruction delivered by a live trainer through a web based system. As a condition of reimbursement at the classroom/laboratory rate, E-Learning training must follow a specific and standardized Curriculum for each course identified in Exhibit B: Menu Curriculum and be delivered to a fixed number of enrolled trainees. In addition, the live trainer must be available for interaction with all trainees in real-time during all hours of training, consistent with the course Curriculum
 - “Distance Education/Hybrid Learning” is defined as formal interaction which uses one or more technologies to deliver instruction to students who are separated from the instructor and which supports regular and substantive interaction between the students and instructor, either synchronously or asynchronously. This may include utilizing technology to assist with comprehension of the curriculum. The reimbursement rate for this training type will be \$23 per training hour per trainee
 - “Computer-Based Training (CBT)” is training delivered through a computer program at a pace set by the trainee. There is no requirement for delivery by a live trainer. This type of training need not be interactive. This type of training is not reimbursed at the class/laboratory rate, but at a reduced rate specific to CBT
- No training program shall consist of a majority of CBT
- Trainer-to-trainee ratio for all incumbent training will be 1 to 20 and for all new-hire training will be 1 to 15. The exception is for CBT, which will not require a trainer-to-trainee ratio
- Minimum training hours 8; maximum training hours 200

- Contractors must certify that all training under this program will only be delivered by qualified instructors. A qualified instructor is someone who is competent in the subject matter, holds a bachelor's degree, and has a minimum of two years of directly relevant teaching experience

Training Types

The only training types allowed under this program include:

- Literacy Skills: The term "literacy" means an individual's ability to read, write, and speak in English, compute, and solve problems, at levels of proficiency necessary to function on the job, in the family of the individual, and in society. For the purpose of this program, Literacy Skills will also include the following:
 - English Literacy: means instruction designed to help individuals who are English language learners achieve competence in reading, writing, speaking, and comprehension of the English language.
 - Digital Literacy: means the skills associated with using technology to enable users to find, evaluate, organize, create, and communicate information
- Workforce Preparation Activities: means activities, programs, or services designed to help an individual acquire a combination of basic academic skills, critical thinking skills, and self-management skills, including competencies in utilizing resources, using information, working with others, understanding systems, and obtaining skills necessary for successful transition into and completion of postsecondary education or training, or employment
- Technical Skills: are the specialized knowledge and expertise required to perform specific job related tasks and use specific tools and programs in workplace situations

MEC Support Costs

- Due to the costs of creating and supporting a program for the intended population and training types, all eligible MECs may receive twenty percent (20%) support costs for this program. An additional ten percent (10%), to a maximum of thirty percent (30%) support costs will be allowed for programs training newly hired and unemployed individuals. Support costs may be used for:
 - Training costs include
 - Salaries of instructors, instructional aides, trainers, supervisors
 - Payroll taxes
 - Fringe benefits such as health insurance, retirement plan, leave pay, etc.
 - Operating expenses
 - Equipment
 - Premises
 - Recruitment of participating employers
 - Assessment of employer-specific job requirements
 - Administrative costs
 - Software user licenses
 - Textbooks or other instructional materials
 - All other items in Regulation 4412. *Reasonable Training and Administrative Costs for Budgets*

- Contractors are encouraged to use support costs to educate front-line managers/supervisors on the benefits of this training for their staff so they may support and encourage their staff to participate in the training

Reimbursement Rate

- All contracts will receive priority industry reimbursement rates for classroom/laboratory and instructor led/distance learning (e-learning) delivery methods (refer to current reimbursement rate tables)
- The Computer-Based Training (CBT) delivery method will continue at the standard reimbursement rate (refer to current reimbursement rate tables)

Record Keeping

- Contractors may use alternate record keeping for this program. If a contractor requests to use an alternate method of record keeping, they must get approval by their Regional Office development analyst prior to start of training
- All training hours must be reported in ETP systems within 90 days of the delivery of training

Additional Reporting Requirements

- Contractors will be required to report the start of training wages at enrollment for all trainees
- ETP may conduct a third party independent evaluation at the conclusion of this pilot program to assess the program's impact on worker retention, wages, and skills. Contractors are required to participate in any such evaluation

Wage

- The required post retention minimum wage for all trainees under this program will be the California State minimum wage or the local minimum wage for localities with a higher minimum wage than the State
- Contractors must pay trainees (at their normal wages) for all hours in which they participate in ETP funded training
- The Contractor must make In-Kind Contributions toward the cost of retraining that demonstrates a commitment to the successful outcome of the training project. This requirement does not apply to new hire training (Reference ETP Regulation 4401.1)
- In the instance where ETP cannot verify a trainee's wages through existing processes, ETP may request payroll information from the contractor. In lieu of a SSN, paystubs will be required

Retention

- All available ETP retention periods may be used under ETP Regulation 4400(v) "Retained in employment" including:
 - With a single employer for at least 90 days after the end of training unless it is not customary for a worker to be employed 90 consecutive days with a single

employer; then a requirement of 500 hours of employment during a period not to exceed 272 calendar days after completion of training shall be substituted

- For Seasonal Workers:
 - Employment retention period is not less than 500 hours within 12 months of the end-of-training with up to three employers in the seasonal industry
 - Trainees need not be employed full-time during retention
- For this project, full-time will be considered 35 hours per week
- Training may include part-time workers if the training results in full-time employment by the end of the retention period

Recuperation of Funds

Any and all funds not expended in accordance with this Workforce Literacy Pilot Program shall be returned to ETP; including, without limitation, any and all Administrative Costs and Support Costs allowed herein, at a rate commensurate with expected individual trainees not actually served and enrolled as determined by ETP.

The parties will acknowledge and agree that any and all returned funds may be used to fund other contractors awarded a contract under this Alternative Funding Source program. Additionally, in order to ensure timely recuperation of funds not expended in accordance with this program, the parties acknowledge and agree that ETP shall conduct two performance assessments regarding the demand for funds as follows:

- At the end of 12 months into the Term of the Contract, ETP will conduct a performance assessment in order to measure the percentage of expected performance. In the event the foregoing assessment demonstrates less than fifty percent (50%) of potential earnings based on eligible reported (tracked) hours to ETP, then ETP may right size to the expected earnings by the end term date of the Contract based on percentage actually reached in the first 12 months of the Term for the Contract.
- At the end of 18 months ETP will conduct a second performance assessment in order to measure the percentage of expected performance. In the event the foregoing assessment demonstrates less than seventy percent (70%) of potential earnings based on eligible reported (tracked) hours to ETP, then ETP may right size to the expected earnings by the end term date of the Contract based on percentage actually reached in the 18 months of the Term for the Contract.