



California Community College Funds Interim Report

Prepared for: Joint Legislative Budget Committee

Prepared by: Employment Training Panel

**Gavin Newsom, Governor
November 2022**

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Disclaimer: *The accuracy of the data provided in this report was verified current as of September 12, 2022 by the Employment Training Panel. All contracts are currently in progress. Additional trainees may be enrolled throughout the term of their two year agreement. Contractors may change contracting status at any time during the agreement.*

Section 1: Introduction

Governor Newsom's FY 21/22 budget, approved SB129, earmarked \$15 million in general fund dollars to the Employment Training Panel (ETP) to align and operate programs with the community college system, in partnership with the California Community Colleges Strong Workforce program. These allocations shall be known as "California Community College Funds" (CCCF) within ETP's programs. This funding is available for encumbrance or expenditure until June 30, 2024.

Section 2: Objective

The goal of the implementation of this program will parallel the ETP Panel's vision and goals to support future-oriented and sustainable economic development, as well as quality job training that is equitable and inclusive through strategic partnerships with business, labor, and government. Encompassed in these goals is the support of high-road employers; training that leads toward licensing and certification; and workforce training efforts for communities disproportionately impacted by the pandemic.

In addition, the additional funding is to support and implement the "California Community College Funds" Alternative Funding Source program approved in SB129. The intent is to ensure that this Alternative Funding Source program is consistent with ETP's mission to assist California businesses in the development of performance-based customized training that will attract and retain businesses, provide workers with secure jobs that pay good wages, and have opportunities for advancement. This includes the Legislative intent to meet the needs of small business.

Section 3: Scope

This report covers the time period of July 1, 2021 through November 30, 2022. ETP is required to provide an interim report to the Legislature by November 30, 2022 and a final report on November 30, 2024. This report will include information on the use and outcomes of the CCCF funds and will be submitted to the Joint Legislative Budget Committee.

This report includes the following:

- A) Financial Summary
- B) Outreach and Marketing
- C) Legislative Data Reporting Requirements

Section 4: Financial Summary

Of the allotted \$15 million ETP received in CCCF, ETP approved 13 Multiple Employer Contracts (MEC) totaling over \$12.7 million dollars in training funds to train incumbent workers. The remainder of uncontracted dollars is used for administrative purposes such as the development of guidelines, the development of individual projects, the monitoring and operations work of ongoing projects, preparation of financial and legislative reporting, and other costs associated with managing the program.

At the time of the writing of this report, there were 11,373 estimated trainees who were eligible for immediate training as a result of the program.

Contractor Name	Total Approved Amount	Estimated # of Trainees	Contract Term End Date
Butte-Glenn Community College District	\$1,511,053	925	12/19/2023
Chaffey Community College District	\$881,244	552	12/19/2023
College of the Sequoias	\$1,508,480	1572	12/19/2023
El Camino Community College District	\$1,511,016	1336	12/30/2023
Glendale Community College District Professional Development Center	\$1,510,970	1048	12/30/2023
Kern Community College District	\$838,360	883	12/26/2023
Los Angeles Trade Technical College	\$1,007,132	1306	12/30/2023
Merrit College	\$114,626	74	12/19/2023
Mt. San Antonio College	\$583,950	600	12/19/2023
Riverside Community College District	\$221,495	299	5/16/2024
San Bernardino Community College District	\$1,510,710	1611	12/19/2023
Santa Clarita Community College District	\$1,509,840	1120	12/19/2023
Ventura County Community College District	\$41,595	47	12/19/2023
Total: 13 Contracts	\$12,750,471	11,373	

Table 1. Total approved contracts with approved funding amount and number of trainees enrolled

Note: All contracts are currently in-progress. Additional trainees will be enrolled throughout the term of the two-year agreement.

Section 5: Outreach and Marketing

Upon approval of SB129 ETP formed partnerships with key California Community College Strong Workforce Program members in order to gain critical knowledge for the development of the funding. The partnerships included:

- Chancellor’s Office Division of Workforce & Economic Development (WED)
- Colleges Regional Consortium Chairs
- Community College ETP Collaborative

ETP Staff developed the CCCF guidelines with the insight and feedback provided from these Strong Workforce Program partners, SB129 framework, and utilizing ETP’s established performance-based contracting model. The CCCF guidelines were presented at the September 15, 2021 ETP Policy Committee meeting and approved at the October 1, 2021 ETP Panel meeting.

To further promote the CCCF funding opportunities, ETP’s Economic Development Unit conducted the following:

- Contacted all Strong Workforce Contract Education Unit Practitioners statewide informing them of the CCCF funding opportunity as they were the only entities deemed eligible to hold a CCCF contract based on the guidelines.
- Provided CCCF related overviews and updates to CADENCE and CASCADE II
- Attendance and marketing of CCCF contracts to various economic and workforce development partner conferences across the state in order to direct potential California participating employers to the existing CCCF contract holders.

Section 6: Legislative Data Reporting Requirements

As a part of this report, this section will include information on the use and outcomes of the funds and data reflecting the 13 Legislative reporting requirements for the CCCF contracts currently in progress. Upon receiving the allocated \$15 million in additional funding, ETP has approved over \$12.7 million to train 11,373 workers in 13 contracts. This additional alternative funding is crucial for economic recovery caused by the pandemic for all businesses and trainees that will participate in training. To qualify for funding the applicant must be a California Community College Contract Education Unit such as a Multiple Employer Contract. Public entities and nonprofit organizations are eligible as participating employers. The additional general fund dollars will align and operate with the community college system in partnership with California community colleges strong workforce program.

The Legislative requirements are as follows:

Information on Participation of High Road Employers: The ETP Policy Committee worked with staff and stakeholders to draft a meaningful definition of High Road Employers (HRE) since there was no definitive definition of HRE in Legislation. The Policy Committee developed supplementary questions for contractors that will assist with a portion of the legislative requirements of this report. ETP provided a Legislative Data Questionnaire to all contractors whose employees or new hires are slated to receive training from the CCCF contract they are participating in. There were eight Legislative Data Questionnaires submitted and all data provided was self-reported by the contractors.

Number of Re-Employment Information: Out of the eight Participating Employers that completed the Legislative Data Questionnaire for the High Road Employers, one trainee was reported as being re-employed after a previous lay off.

Number of Applicants: Thirteen applicants submitted an ETP application to train incumbent workers. At the time of application, the total funding amount requested for training was \$13,839,996.

Number of Eligible Applicants: All 13 MEC applicants identified as a California Community College Contract Education Unit and were deemed eligible under the CCCF guidelines.

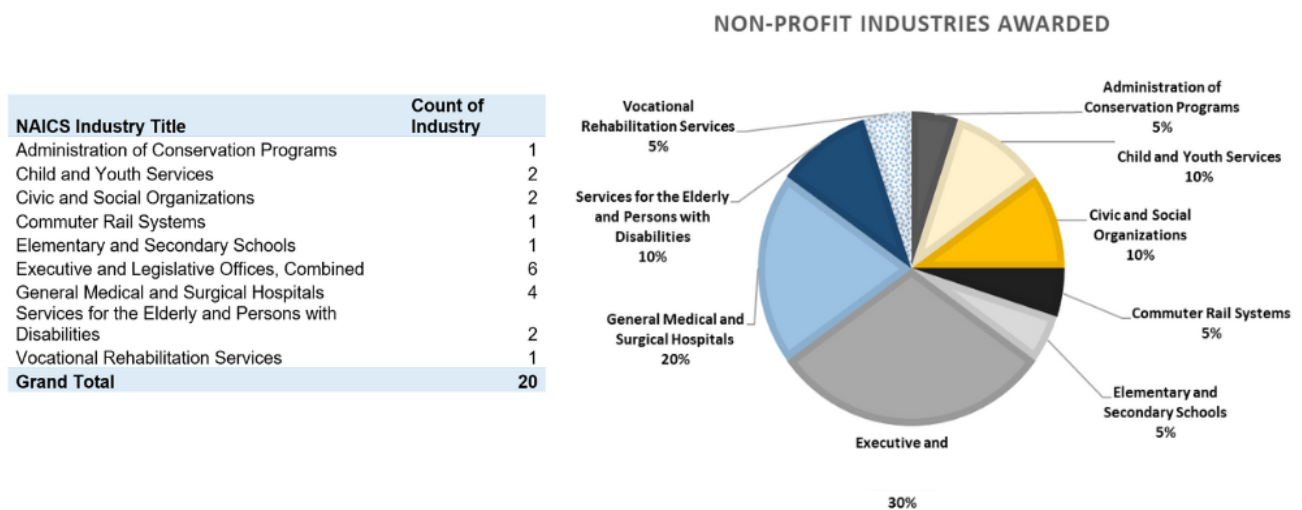
Number of Awardees: Out of the \$15 million allotted to ETP in CCCF alternative funds, 13 awardees were approved for ETP funding through the CCCF program totaling in over \$12.7 million dollars in training funds for California workers. One contractor

cancelled their contract prior to the start of training resulting in 12 contracts with reported data that will be shared throughout this report.

Industry Sectors that Received an Award: MEC trainees employed within 385 participating employers are slated to receive ETP funded training in 13 various industry sectors. As a result of the additional \$15 million for this alternatively funded program, ETP was able to provide training funds for non-profit organizations, which are typically not eligible for the ETP Core Program. See Figures 1 and 2 for a breakdown by North American Industry Classification System industry title.

Geographic Distribution of Awardees: Fifty-six percent of participating employers serve trainees in High Unemployment Areas (HUA) of the state. As of the writing of this report, 4,176 trainees were enrolled in training courses in 25 counties throughout the state and 12 of those counties have a HUA component. See Table 2 for a breakdown of counties and trainees.

Figure 1. Thirteen industries received an ETP award and count by industry



ETP Industry Name	Count of ETP Industry
Agriculture	9
Construction	5
Finance & Insurance	6
Healthcare	25
Information	2
Manufacturing	214
Professional, Scientific, and Technical	13
Retail	12
Services (Other)	16
Trade (Wholesale)	38
Transportation and Warehousing	23
Utilities	4
Waste Management	18
Grand Total	385

TYPE OF INDUSTRY AWARDED

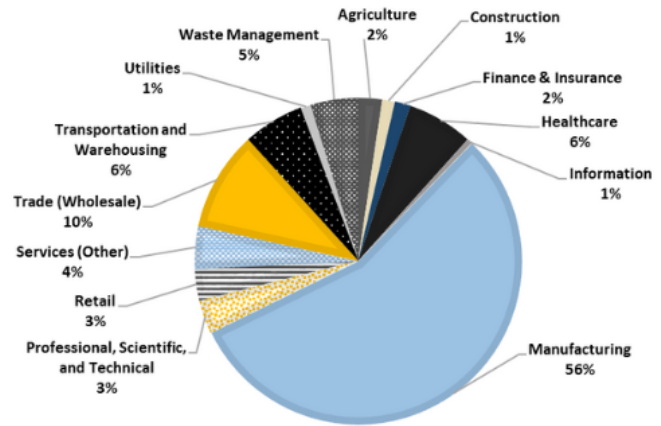


Figure 2. Nine non-profit industries received training and count by industry

Table 2. Counties served by approved CCCF contracts.

County	# of Enrolled Trainees	Percentage of Trainees Enrolled
Alameda County	15	0.36%
Butte County	120	2.87%
El Dorado County	311	7.45%
Fresno County	1	0.02%
Glenn County	48	1.15%
Kern County	15	0.36%
Kings County	7	0.17%
Los Angeles County	2,399	57.45%
Madera County	0	0.00%
Napa County	1	0.02%
Orange County	278	6.66%
Plumas County	24	0.57%
Riverside County	224	5.36%
Sacramento County	3	0.07%
San Bernardino County	436	10.44%
San Diego County	32	0.77%
San Joaquin County	0	0.00%
San Mateo County	23	0.55%
Santa Barbara County	0	0.00%
Santa Clara County	5	0.12%

Shasta County	3	0.07%
Sutter County	0	0.00%
Tehama County	0	0.00%
Tulare County	173	4.14%
Ventura County	58	1.39%
Grand Total:	4,176	100.0%

*Bolted counties are HUA

Number of Workers Served: There are 11,373 estimated trainees for the CCCF contracts currently in-progress who will receive training as a result of this alternative funding program.

Number of Workers Created Specific to New Hire and Job Creation: The ETP Panel prioritizes projects developed under the “Retrainee- Job Creation” guidelines, which demonstrates a strong link to job creation and business expansion, including employer’s investment in new workers or other measurable investments in hiring of workers and expansion of California’s workforce. There were 477 estimated trainees that were unemployed at the start of training (new hires) and 1,089 estimated job creation trainees slated to receive training out of the approved contracts.

Average Award Amount: The 13 awardees received an average of \$980,805 per contract.

Table 3. Approved contracts and enrolled trainees with a job creation or new hire component

Contractor Name	Estimated # of Trainees	Trainees Enrolled
Job Creation		
Kern Community College District	60	13
Los Angeles Trade Technical College	145	15
San Bernardino Community College District	70	10
Santa Clarita Community College District	120	109
Glendale Community College Professional Development Center	360	137
Mt San Antonio College	75	59
Butte Glenn Community College District	259	53
Total Job Creation Trainees:	1,089	396
New Hire		
San Bernardino Community College District	190	64
Glendale Community College Professional Development Center	105	9
College of the Sequoias	40	3
Butte Glenn Community College District	142	9
Total New Hire Trainees:	477	85

Changes in Participant Employment Status as a Result of the Program: ETP continues to support job creation and workforce development throughout California by supporting projects with the greatest impact on the economy. As of the writing of this report, 12 contracts are currently in progress and approximately 477 trainees will have gained permanent employment status as a result of participating in CCCF training. Seven contracts had a job creation component with nearly 1,100 trainees slated to receive valuable training.

Information on Participant Wage Gain: Performance is only available upon the close of the contract and *post retention wage* is not available at the writing of this report since all contracts are in progress in a two-year term agreement. The *wage at enrollment* is the trainee’s reported wages. The average wage at enrollment was \$32.61 and the median wage at enrollment was \$28.51. Ninety-one percent of enrolled trainees were above the ETP minimum wage. Wage progression will be measured at the end of the two-year contract for trainees who received training.

Description of Use of Funds: ETP continues to support the growth of California’s workforce through new hire training and retraining associated to job creation and business expansion. The trainees that participate in training will have opportunities for career advancement, higher wages, secure jobs, new skillsets, new certifications, staff development and professional growth.

See Table 4 for information on the four delivery methods and 17 training types that trainees will participate in as a result of successfully completing the training courses.

Table 4. Training types and delivery methods

Delivery Methods	# of Each Type Approved
Classroom/Simulated Laboratory	12
Computer Based Training	1
Productive Laboratory	1
Instructor Led/Distance Learning	12
Training Types	# of Each Type Approved
Business Skills	12
Commercial Skills	10
Computer Skills	12
Continuous Improvement	12
Green/Clean Skills	2
Hazardous Materials Skills	5
Job Readiness Skills	2
HazWoper	4
Literacy Skills	7
Management Skills	7
Manufacturing Skills	12
Medical Skills Didactic	5
Medical Skills Preceptor	2
Safety Skills OSHA 10	7
Safety Skills OSHA 30	7

Safety Skills- General	2
Other Skills Not Specified	1

Trainee Demographic Information: There were 4,351 total trainees whose demographic information such as age, education level, race/ethnicity, gender and veteran status was collected upon enrollment and is illustrated in the tables and infographic below. ETP has continued to prioritize training for veterans who are reentering California’s civilian workforce. ETP’s veteran training program helps unemployed veterans obtain high-skilled, high-wage jobs in secure industries. As a result of trainee participation, 48 veterans will receive training from the CCCF contracts.

Table 5. Trainee age range data

Age Group	# of Trainees in Group	Percentage of Age Group
25-34	1,395	32%
35-44	1,203	28%
45-54	808	19%
55-64	502	12%
65 and Older	94	2%
Under 25	352	8%
Grand Total:	4,351	100%

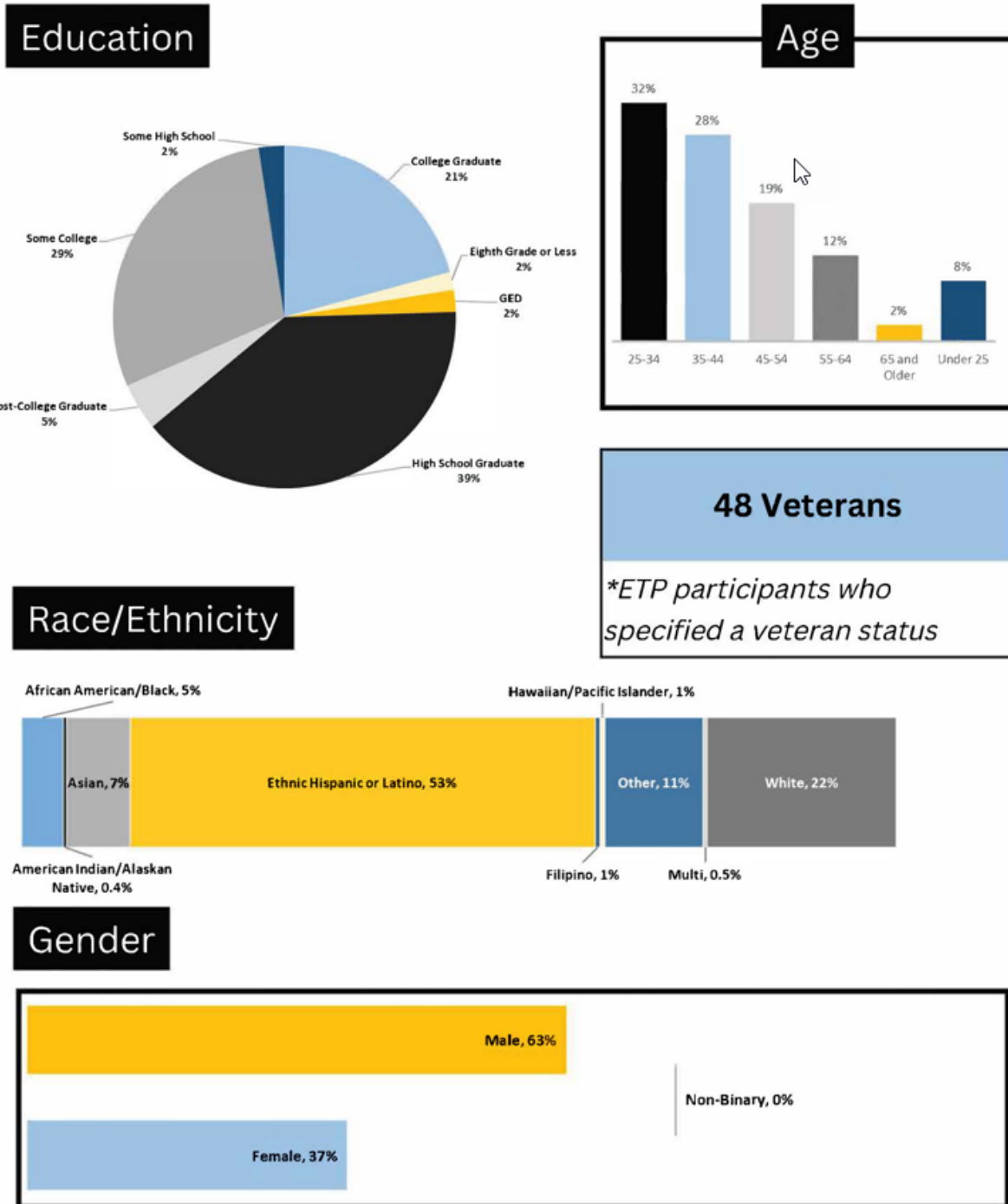
Table 6. Self-reported trainee gender data

Gender	# of Trainees	Percentage of Gender
Female	1,623	37%
Male	2,727	63%
Non-Binary	1	0%
Grand Total:	4,351	100%

Figure 3. ETP trainee demographic characteristics reported for all in progress contracts.

TRAINEE DEMOGRAPHICS

ETP trainee demographic characteristics have been reported for gender, age, education, ethnicity, and veterans.



Section 7: Glossary

Section 8: Appendices

Appendix A: High Road Employer Reporting

GLOSSARY

CALIFORNIA ADVANCED DEFENSE ECOSYSTEM NATIONAL CONSORTIA EFFORT (CADENCE) - The California Governor's Office of Planning and Research (OPR) Military Affairs Unit, is designated by the U.S. Department of Defense (DOD) Under Secretary of Defense for Acquisition and Sustainment as a Defense Manufacturing Community, and includes multiple national security project components. CADENCE aims to strengthen the resiliency of the national security innovation and manufacturing base and support critical manufacturing sectors that provide key resources to the American warfighter and address DOD's modernization priorities.

CALIFORNIA ADVANCED SUPPLY CHAIN ANALYSIS AND DIVERSIFICATION EFFORT (CASCADE) - The California Advanced Supply Chain Analysis and Diversification Effort initiative is funded by the U.S. Department of Defense to bolster California's defense supply chain cybersecurity resilience.

CALIFORNIA COMMUNITY COLLEGES FUND (CCCF) - The California Community Colleges Fund is a program known to the Employment Training Panel (ETP) as a result of \$15 million general fund dollars awarded to ETP from SB 129 to align and operate with the community college system in partnership with the California Community Colleges Strong Workforce Program.

CHANCELLOR'S OFFICE DIVISION OF WORKFORCE AND ECONOMIC DEVELOPMENT- Office of the Community College Chancellor of California and who leads the 116-community college system which serves over 1.8 million students with a student-centered mindset and a goal of creating equitable and supportive ecosystems where students thrive.

COLLECTIVE BARGAINING AGREEMENT (CBA)- Collective bargaining is the process in which working people, through their unions, negotiate contracts with their employers to determine their terms of employment, including pay, benefits, hours, leave, job health and safety policies, ways to balance work and family, and more. Collective bargaining is a way to solve workplace problems and also the best means for raising wages.

COLLEGES REGIONAL CONSORTIUM CHAIRS- California Community Colleges are organized into ten economic regions, served by eight consortia. These Regional Consortia of Career Education faculty and administrators from community colleges establish regional strategic priorities, administer state and federal funding, form industry partnerships and public private partnerships and review curriculum and approve proposals for credit Career Education programs.

COMMUNITY COLLEGE ETP COLLABORATIVE (CCETPC) - The CCETPC promotes the development of customized training contracts between the Community Colleges and the Employment Training Panel.

DEPARTMENT OF DEFENSE (DOD) - The Department of Defense is America's largest government agency. Its mission is to provide the military forces needed to deter war and ensure the nation's security.

EMPLOYMENT TRAINING PANEL (ETP) – Established in 1982, the Employment Training Panel is a business and labor-supported state agency that funds the costs of vocational training. ETP is governed by an 8 member Panel. ETP is funded by a tax on employers, collected alongside the Unemployment Insurance tax. ETP does not regularly receive General Fund support.

ETP's CORE PROGRAM- ETP's core program is funded by the Employment Training Tax (ETT), paid by California companies participating in the Unemployment Insurance system to promote the development of California workers. ETT revenues are deposited in the Employment Training Fund (ETF), established to fund ETP and its training programs. ETP does not use Federal or State General Funds to fund its program.

HIGH ROAD EMPLOYER (HRE) - An employer that has either wages at or above the current special employment training wage, which this year is \$39.21 an hour, and/or they have a Collective Bargaining Agreement, and/or they are a participant in a High Road Training Partnership (H RTP). They must have one or more of those things *and* a turnover rate less than 10% *and* they will have to provide answers to a set of questions that deal with other high road characteristics. The questions that will be asked are narrative in nature, such as "Please describe the benefit packages you offer your employees" and "Please describe what kinds of flexibility you offer to your employees (for example: different shifts, ability to telework, etc.)." This definition was approved by the ETP Panel at the May 2022 Panel meeting with the understanding that a narrative will be added into the Legislative report explaining how it was difficult to come up with a definition and that the definition is live and can be added to or subtracted as needs arise later.

HIGH ROAD TRAINING PARTNERSHIP (H RTP) - The High Road Training Partnerships initiative is a modest, but critical \$10M demonstration project designed to model partnership strategies for the state. Ranging from transportation to health care to hospitality, the H RTP model embodies the sector approach championed by the Board-industry partnerships that deliver equity, sustainability, and job quality. Along with these program investments, the Board is producing a body of policy and principle to guide related undertakings across the workforce system.

HIGH UNEMPLOYMENT AREA (HUA) - If the State average unemployment rate is less than 10 percent, HUA is defined as counties with an unemployment rate 25 percent higher than the State average or sub-county areas containing large numbers of unemployed workers and having an unemployment rate 25 percent higher than the State average. If the State average Unemployment Rate is 10 percent or higher, HUA is defined as counties with an unemployment rate 15 percent higher than the State average or sub-county areas containing large numbers of unemployed workers and having an unemployment rate 15 percent higher than the State average.

MULTIPLE EMPLOYER CONTRACT (MEC) - A multiple-employer contractor serves multiple participating employers under a single ETP contract and may be: 1) a consortia (group of employers); 2) a training agency (private training entity or local educational agency; or 3) a local Workforce Development Board.

NON-PROFIT- A group organized for purposes other than generating profit and in which no part of the organization's income is distributed to its members, directors or officers. Non-profit organizations include churches, public schools, public charities, public clinics and hospitals, political organizations, legal aid societies, volunteer services organizations, labor unions, professional associations, research institutes, museums, and some governmental agencies.

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM- The standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. It was developed jointly by the U.S., Canada and Mexico in order to provide new comparability in statistics about business activity across North America.

PARTICIPATING EMPLOYER – ETP uses this terminology when indicating companies whose employees or new hires will receive training as a result of participating in a multiple employer contract's training project. They are not the contract holder yet they are able to participate in the training once the company has been deemed eligible by ETP.

POST RETENTION WAGE- ETP reporting requirement for a trainee that has been retained as an employee within a company for at least 90 days after the last date of training.

SPECIAL EMPLOYMENT TRAINING (SET) - ETP uses this terminology in applicable contracts. The Special Employment Training projects are designed to improve skills and employment security of frontline workers in projects that do not meet standard employer or trainee eligibility requirements, but area a priority for workforce training.

SENATE BILL 129- In fiscal year 2021-22, Governor Newsom signed SB 129, legislation that reflects the majority of the \$100 billion state budget and includes the largest recovery plan in state history to aid those disproportionately affected by the pandemic.

SENATE BILL 162- The Community of Economic Resilience Fund Program. Existing law establishes the Employment Development Department (EDD) within the Labor and Workforce Development Agency. Existing law grants the Director of Employment Development duties, purposes, responsibilities, and jurisdiction exercised by the Director of Benefit Payments relating to job creation activities, among other things. The California Workforce Innovation and Opportunity Act establishes the California Workforce Development Board as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce

investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce. The act also provides for training partnerships that are overseen by the board, including the High Road Training Partnerships initiative, a demonstration project to model partnership strategies for the state among various industry sectors, and that is industry based and worker focused in order to build skills for California employers that, among other things, generate family-supporting jobs.

STRONG WORKFORCE PROGRAM- Created in 2016 at the recommendation of the California Community College Board of Governors, the Governor and Legislature approved the Strong Workforce Program, adding a new annual recurring investment of \$248 million to spur career technical education in the nation's largest workforce development system of 116 colleges.

Appendix A: High Road Employer Legislative Reporting

Per SB 129, ETP is required to report on the participation of high road employers supported with this funding. In order for ETP to report on “High Road Employers,” it was necessary for the Panel to first develop and approve a definition of this term (see below) since no such definition is currently available in California statute. It should be noted that while SB 162 provides a definition of “High Road Strategy,” it does not define “High Road Employer.”

This High Road employer definition is not use in any way for eligibility determination for any ETP program. It is only used for reporting purposes. As of the writing of this report, ETP has received eight returned responses for the supplementary questionnaires sent to contractors. ETP will continue to collect responses to this set of questions- described below- from participating employers.

The Panel adopted the following definition:

A High Road Employer has one of the following attributes:

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 HRTP

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, for example: benefit packages (both content and waiting periods), job 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.