



Employment Training Panel
STATE OF CALIFORNIA EMPLOYMENT TRAINING PANEL
POLICY COMMITTEE MEETING
In person
1100 J Street, Sacramento, CA, Sequoia Room
Thursday, June 20, 2024

I. POLICY COMMITTEE MEETING CALL TO ORDER

Chair Gretchen Newsom called the meeting to order at 1:01 p.m.

II. ROLL CALL

Present

Gretchen Newsom
Rick Smiles
Rebecca Bettencourt

Executive Staff

Jessica Grimes, Director
Peter Cooper, Assistant Director
Jaime Gutierrez, Chief Deputy Director

ETP Representatives

Elisabeth Testa, Policy Manager

III. MEETING AGENDA

No changes to June 20, 2024 Agenda.

ACTION: Mr. Smiles moved and Ms. Bettencourt seconded approval of the June 20, 2024 Meeting Agenda with no changes. All Policy Committee Members present voted in the affirmative.

Motion carried, 3 to 0.

IV. MEETING MINUTES

No changes to December 14, 2023 Meeting Minutes.

ACTION: Mr. Smiles moved and Ms. Bettencourt seconded approval of the December 14, 2023 Meeting Minutes with no changes. All Policy Committee Members present voted in the affirmative.

Motion carried, 3 to 0.

V. ACTION ITEMS

No action items

VI. DISCUSSION ITEMS

A. AFFILIATES

There was a Brief Issue Statement with the general definition of an affiliate as “another business that has a commercial relationship with a single employer including a parent or subsidiary”. It was explained that affiliated companies have been allowed to participate together in Single Employer Contracts (SEC). Single employers are not intended to train many trainees from a group of employers and are limited to two affiliate participation (2018). If a healthcare project 12 affiliates are allowed (due to the organizational structure, comprised typically of community hospitals and clinics which are routinely purchased by conglomerates).

Definitions:

- 1) The definition of a contractor is the individual or entity responsible for satisfying the duties and obligations in the contractual agreement for training cost and reimbursement.
- 2) The definition of a group of employers:
 - a. 2 or more employers who combine efforts to form a consortium to meet common training needs.
 - b. a professional association or joined apprenticeship training committee
 - c. an economic development corporation

Questions to look at:

- 1) How to identify affiliate
 - a. By CEAN
 - b. Secretary of State
 - c. Other criteria
- 2) Determining what companies are affiliates
- 3) Is limiting the number of affiliates necessary for a SEC
- 4) Allow any affiliates in SEC and have them apply as a MEC
- 5) In an MEC who would be the main contract holder? The parent company?
- 6) Could the contract holder train their own employees?

Staff recommendation is no action other than soliciting feedback via email etpcomments@etp.ca.gov

Public comment was requested on this issue.

Michelle Rychener stated that by limiting the number of affiliates in a MEC it is requiring them to come back for two different applications, so if a manufacturer has five entities they are going with 2-3 over here and 2 over there with two different CEAN's different affiliates. The intention was to not have double dipping but now we are forcing the issue. As far as applying as a MEC that would be okay if they were allowed to use a LMS which is currently not done.

Phillip Herrera explained that his customers are in life sciences and semiconductors and with bigger applicants, they grow in California through acquisitions. He highly recommends that CEAN's not be used to delineate any kind of application.

Panel member feedback

Comment was made that conversations have been had around single employers and single employers of the same entity but with different naming convention because they are a separate company for three or four because the size of the prize is bigger whereas with healthcare they could have up to 12 in one contract. Slightly different from affiliates but it was about them coming in on single contracts each that was why this resurfaced. There is frustration in going to Panel month to month and being able to catch it where a similar entity comes up that a few month ago came up and might have qualified as the same entity but with two different names, so it was not caught.

B. PILOTS AND GUIDELINES

Multiple Pilot programs and Guidelines have been created for particular areas of the ETP program. A comprehensive review of all of them has started with the goal of deactivating/archiving expired programs; updating older programs to match current practices and requirements; and ensuring that active guidelines are clear and concise. As part of the process a series of pilots and guidelines will be brought to Policy Committee for feedback.

Today is an introductory and informative in nature. Some pilot programs are designed to only be active for a certain amount of time, others explain in more detail areas of the program for Staff and procedures to follow. Others have created entirely new policies that may or may not be derived from our legislation and regulations.

The review will be multi-phased starting with an internal review to verify when they were last reviewed by Panel and if they are still active. Then whether the pilot or guideline created a new policy or was explanatory or procedural in nature. Finally those no longer necessary will be deactivated and archived.

Finally the Committee will help with pilots and guidelines that create new policies that deviate from our legislation or regulations or are overly complex.

Public comment was requested on this issue.

Phillip Herrera stated that his experience with pilot programs is really good and he highly recommends that the program demonstrate whether it's a partnership with the California Energy Commission of AG product or AG projects, whatever, those really resonate with the Legislature.

John Fox from San Bernardino Community College commented that some of the pilot guidelines have inconsistencies that make it difficult to find the relevant information. So if there is a key information and metrics required that just a one pager would always be at the front so they can find who's applicable to apply, which industries are allow, retention differences those basic things especially when it diverges from a core contract.

Panel Member Feedback

Comment was made that if there is more than one coming before the Policy Committee in future meetings to try and combine them. For instance if it is the CNA to LVN (as listed in the handout) and medical skills there is a lot of crossover and it will provide a more robust discussion.

C. APPLICATION QUALITY

A workgroup has been created to examine the quality of the application as a whole, from the beginning to the Panel proposal. The workgroup is currently in the discovery phase; obtaining data from CivicMakers and the ETP design team. Looking to work with both external and internal stakeholders for comments and suggestions regarding the current application process and recommendations for any potential changes.

Public comment was requested on this issue.

Phillip Herrera commented that there are some elected officials that believe that ETP is broken, it is not. We have to look at how to improve projects. He will put his recommendations into writing. Such as adopting competitive criteria. This will give ETP the opportunity to weed out applications that are not as good prior to Panel. More advance notice of Panel meetings like 30 days. Consider 4 Panel meeting per year, one dedicated to apprenticeships and JTCS, the others to others. Only the best applications get approved, the applications that didn't go back, staff resources them and they continue like the other incentives do.

Nathan Daley, CMTA commented that Panel expressed concerns about MEC contracts looking similar each time they come back and it's true but we cast a very broad net because at any given time halfway through a contract, a client might have someone come in and some trainings are going to show up in every single contract. The amount of time that it takes to do a contract revision it's just better to put it all in upfront. He is in favor of having a more understandable contract so whatever information is needed can be given.

John Fox, San Bernardino Community College commented on the application process as it now is there are questions when it comes to things like charts with occupations and different wage ranges that seem to be directed towards the single employer. So with a MEC those charts become very difficult across 30 different companies. A suggestion would be to consider a different flow thread for MEC's.

Panel Member Feedback

Question: have we ever actually asked people for their feedback during the application process? And as staff are putting together the 130's is the system pulling the questions from the application and putting it into the 130, is there a redundancy in information or some being put in one place but not the 130?

Concern regarding improving the MEC applications and the connection between the employer and the workforce or trainees of the types of curriculum that they are receiving. Rather than having it be a generalized list to choose from, maybe having a narrative section with the employer explaining the benefit of the training to them, so there is a stronger connection as there

is in a single employer contract. Another mechanism for reviewing is an application is those having a regional connotation attached to their name such as a Chamber of Commerce or a professional organization that is drawing employers from outside their county or region. What is the actual connection to the employer and the trainees when a MECD applicant is coming in and representing employers outside of their jurisdiction or region? What is the commitment? How many of those employers are actually employers that were then used in the MEC and not just being pulled from a business list, maybe a stronger commitment than just a letter.

Comment was made that a kind of scoring criteria might make the application stronger and more helpful.

D. REPEAT CONTRACTOR RULE

Revised Repeat Contractor Rule goes into effect July 1, 2024. ETP has compiled a list of frequently asked questions which can be used for additional clarification to address concerns.

Public comment was requested on this issue.

Nathan Daley, CMTA commented that the actual language of the February Panel meeting was 75% actual earned, which cannot be established until after the fiscal unit has approved the invoice. So what is said here 75% of the invoice submitted is a much lower standard than actual earned. It takes an extra 2-5 months after an invoice is submitted before it even gets to fiscal for review. So that stretches the amount of time before the next application can go to Panel. So the 75% submitted would need to go back to Panel to restate and change the wording from February Panel. If it is by submitted it would be fine.

Eldon Davidson commented that his biggest concern was the delay which was calculated at 8 months before they could assist customers. Regarding question two that exception P4, if you had 75% invoiced in the system it may not be P4 yet, that makes a big difference. So the only issue or recommendation is to take the P4 off because that hasn't changed anything. If you leave P4, we could be 5 months or more before we can move on. Lastly, if this is about performance this could have a negative effect of well performing MECS. So you could have a rule that's if a MEC is high performing has an average of 85-90% or more over three years they would be subject to the old rule. This would save staff time.

John Fox, San Bernardino Community College District commented that one of the biggest concerns regarding new repeat contractor rule is the actual earned. Agreed with Mr. Daley's comment that what was passed at Panel the wording is different. If we adjusted pivot to the FAQ wording that addresses a very large portion of the concern. There is still concern around the fact that as things stand once a trainee has been P4, they're essentially locked out of any additional training. So for an employer or specific individuals who are participating in a MEC and start their training right as the MEC is trying to hit that 75%, then they might be in an unfortunate position where then the MEC is trying to P4 but that locks them out from finishing their training or from being able to come back and do additional training further along in the contract. His proposal is to add a type of invoice called a retention invoice that doesn't actually drop them from the contract when it's completed. The invoice could be submitted any time after 90 days have passed from training and basically say this person is still employed, still in their job (current occupation and wage) but do a retention invoice and they wouldn't be dropped out of the contract and would still be available to add more hours.

Leone Raul commented this is better but still not hitting the mark. She reiterated her example given at February Panel. She agreed with everything Eldon said. Removing the P4 and making it 75% invoiced would be the solution and would allow us to move forward with continuity of service.

Phil Herrera commented that GoBiz endorsed applications are well received by those watching the program. Give GoBiz endorsed applications and contracts benefits even for repeat contract rules.

Alistair Allison, Butte College concurred with prior MEC's and John Fox in particular. Some feedback from the colleges on possible solution or modifications to improve: taking a layered approach that reward high performers (above 90%). Consider payroll retention data in lieu of actual earned for training verification at different intervals. There is a need to recognize the additional administrative task or burden on the MECs. It is not uncommon to have \$300,000 worth of qualified training during the contract period to go unrecognized and yet amend and not meet 100% simply because they were unable to submit the modification in time.

Panel Member Feedback

No feedback given.

VII. OPPORTUNITY FOR POLICY COMMITTEE MEMBERS TO REQUEST AGENDA ITEMS FOR FUTURE PANEL MEETINGS

No comments

VIII. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

No comments

IX. MEETING ADJOURNMENT

Chair Newsom adjourned the meeting at 2:11 p.m.