



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Rebecca Bettencourt, Member
Rick Smiles, Member

Date: August 29,
2024

CC: Executive Staff
Jessica Grimes, Executive Director
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From: Affiliates Workgroup
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Subject: ETP Policy Committee Meeting Agenda Item: Affiliates

I. Brief Issue Statement:

This is a report back on where the Affiliates Workgroup is in the process of determining affiliate participation in Single Employer Contracts (SEC).

II. Background Information:

During the June 2024 Policy Committee Meeting the Affiliates Workgroup requested stakeholder feedback and suggestions via email on affiliate participation in SECs. The deadline for submittal was July 19, 2024. No stakeholder emails were received.

Due to the lack of feedback received, the Affiliates Workgroup decided to compile information from the June 2024 Policy Committee Meeting discussion as well as previous affiliate discussions and determined two areas need additional research.

III. Discussion Points

The Affiliates Workgroup is researching Group of Employers and Unity of Enterprise as possible ways to determine affiliate participation in SECs and to gain insight into their

feasibility. Once the research is complete, recommendations will be brought back to a future Policy Committee Meeting for further discussion.

Group of Employers

Two or more employers which combine efforts to form a consortium in order to meet the common training needs by specific occupational categories or address common training needs based on industrial trends and/or;

Two or more employers which combine efforts whereby the primary employer assumes liability for the Panel contract, with secondary agreements between the primary employer and the supplier employers (or both the primary employer and the secondary suppliers contract with the Panel), and trains the employees of one or more of its suppliers due to the special and unique needs of the primary employer.

Research Needed:

- Does this require new operational processes?
- What is the impact to the funding allocations?

Unity of Enterprise

Process used by EDD to review the relationship between the parent company and its subsidiaries in order to determine if a Horizontal Unity of Enterprise (HUE) exists.

- This is done through a Unity of Enterprise Questionnaire.
- Questionnaire is used to determine if two or more business entities are united by factors of control, operation, and use.
 - Unity of Control: majority interest in, or control of, each organization is in one individual entity, association, or other organization.
 - Unity of Operation: central financing, accounting and management of each business enterprise which includes common management, personnel policies, operation procedures, pricing, collections, and financing.
 - Unity of Use: separate establishments are functionally united so that each are organized for common purposes, and each is coordinated with or is part of the entire operation.
- If united by these factors EDD can determine the company one employing unit.

Research Needed:

- What is the questionnaire used by EDD to determine Unity of Enterprise?
- Must all three factors be met, or two out of three?
- Is there an EDD database and can ETP gain access?

IV. Recommendation

No action items beyond soliciting and receiving any feedback and/or suggestions via the email address provided above from the Policy Committee, contractors, stakeholders, and public concerning affiliate participation in SECs.