M e m o r a n d u m

Employment Training Panel

To: <u>ETP Policy Committee</u>   Date: August 29,
        Gretchen Newsom, Chairperson   2024
        Rebecca Bettencourt, Member
        Rick Smiles, Member

CC: <u>Executive Staff</u>
        Jessica Grimes, Executive Director
        Peter Cooper, Assistant Director
        Jaime Gutierrez, Chief Deputy Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item
           Discussion for Policy Committee Re: RESPOND Guidelines

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I.   <u>Brief Issue Statement</u>:

As noted at the June 2024 Policy Committee meeting, ETP is beginning a comprehensive review of all of our Pilots and Guidelines per the legislation requirement in 10205(i). This memo pertains to the RESPOND program, designed to help California businesses affected by natural disasters.

This discussion will include a brief history of the RESPOND program, an analysis of the performance and effectiveness of the program so far, a general review of the content of the guidelines, and suggestions for future actions.

II.   <u>Background Information</u>:

ETP's Rapid Employment Strategies Pilot On Natural Disasters (RESPOND) program began as a pilot in 2014 as a way to help California businesses impacted by the then severe drought. It began as an alternatively funded program, with funds appropriated from the General Fund by the Legislature for this purpose.

Originally, $1M came to ETP to use for businesses located within the 24 counties that were designated by the Governor at that time as being especially affected by the drought. Once the alternative funds expired, the RESPOND program shifted to an ETP Core funded program. In 2020, the RESPOND program was amended to expand the definition of natural disasters to include pandemics, in response to COVID.

An analysis of the performance and effectiveness of the RESPOND program shows the following:

Total RESPOND Projects: 19

    Total Alt funded projects: 6
    Total Core funded projects: 13

Natural Disaster Designation:

    Drought: 18
    COVID: 1

MECs vs SEs:

    MECs: 7 (6 Alt, 1 Core)
    SEs: 12 (all Core)

NAICS Industry Spread*:

    Agriculture: 9
    Biotech/Life Sciences: 4
    Construction: 1
    Engineering: 2
    Green Tech: 1
    Information/Multi-Media: 1
    Manufacturing: 9
    Professional & Scientific Tech: 1
    Services: 8
    Technology: 1
    Utilities: 1
    Waste Management: 4
    * Some contracts had more than one industry identified

PI/Non-PI Spread:

    PI: 15
    Non-PI: 4

Percentage Fully Earned:

    Fully Earned: 2
    Zero Earned: 7
    Average Earned: 46% (Alt average: 45%, Core average: 46%)

FY Spread:

    FY 14/15: 6
    FY 15/16: 1

FY 16/17: 1
FY 17/18: 0
FY 18/19: 0
FY 19/20: 0
FY 20/21: 3
FY 21/22: 5
FY 22/23: 2
FY 23/24: 1

The RESPOND program provides the following advantages to participants:
- Critical Proposal designation
- Highest reimbursement rate for all training except for CBT
- An additional alternative retention period of 500 hours within 272 days
- Literacy Training limit raised from 45% to 50%
- Occupational specific safety training allowed
- Turnover Rate waived (but must still be reported)

All other program elements (ie: wages, reporting requirements, etc) follow normal ETP parameters. A copy of the RESPOND guidelines are included in the meeting materials for reference.

Potential actions ETP can explore include: making no changes to the RESPOND program; eliminating the RESPOND program; or changing particular elements of the RESPOND program.

One item that staff would like added to the guidelines is a small clarification on the definition of a 'natural disaster', as follows:

"Natural Disaster" Definition

A natural disaster is any natural event that causes widespread damage or loss of life. Examples include: drought, fire, earthquakes, floods, major storms, hurricanes, tornadoes, pandemics, etc.

For the purposes of the RESPOND program, natural disasters can be designated through:

a. A declaration of a State of Emergency by the Governor due to the disaster; or,

b. A determination by ETP's Executive Director that the natural disaster has effected the state's economy, or the economy of a region of California **significantly affected by the natural disaster** to such an extent that use of the Critical Proposal designation is appropriate.

III. Recommendation

No action items beyond soliciting and receiving any feedback from the Policy Committee, contractors, stakeholders, and public concerning the RESPOND Program.