



POLICY COMMITTEE MEETING NOTICE & AGENDA

TIME/PLACE

Thursday, February 27, 2025, at 1:00 p.m.
California Employment Training Panel
1100 J Street, Sacramento CA 95814
Phone: (916) 327-5640
Via Zoom

**This is a public meeting and the public may attend and/or
provide public comment in person or virtually.**

**In-person attendees should check-in at the Security Desk located in the Main
Lobby on the First Floor to be directed to the Sequoia Room on the Fifth Floor.**

**For virtual attendees to view or provide public comment via Zoom meeting, use
the link below and use the raise-hand feature during public comment to be called
on.**

Join Zoom Meeting:

<https://us06web.zoom.us/j/85750559386>

Passcode: 740562

One tap mobile: 1-888-278-0296

Conference code: 1185529

(For assistance, login, and raise hand or contact ETPESCU@etp.ca.gov)

AGENDA

Call to Order by Chair

Gretchen Newsom

- Welcome and Roll Call
- Action to Approve February 27, 2025 Policy Committee Meeting Agenda
- Action to Approve December 12, 2024 Policy Committee Meeting Minutes

Policy Committee Meeting Date: February 27, 2025

Policy Manager Report

- SB 1321 Implementation Efforts

Discussion Items

- | | |
|---------------------------------|-----------|
| • Veterans Guidelines | Lis Testa |
| • MEC Proposal Contents/Quality | Lis Testa |
| • Contract Revision Process | Lis Testa |

Action Items

- | | |
|-------------------------------------------------|-----------|
| • Justice-Involved/Opportunity Youth Guidelines | Lis Testa |
|-------------------------------------------------|-----------|

Opportunity for Policy Committee Members to Request Agenda Items for Future Policy Committee Meetings

Public Comment on Matters Not on the Agenda

Public Meeting Adjourns

Under Government Code section 11123(a), all meetings of a state body are open and public, and all persons are permitted to attend any meeting of a state body, except as otherwise provided in that article. The Policy Committee may take action on any item listed in this Meeting Notice & Agenda. You can obtain further information about this Meeting Notice & Agenda by contacting Michael A. Cable, Staff Attorney, at (916) 327-5422, or Michael.Cable@etp.ca.gov, or sending a written request to Michael A. Cable, Staff Attorney, at Employment Training Panel, 1100 J Street, 4th Floor, Sacramento, California 95814. Written comments on agenda items should be submitted no later than 12:00 p.m. the business day before the meeting in order to afford adequate time to consider your comments.

All meetings are accessible to the physically disabled. A person who needs a disability-related accommodation or modification in order to participate in the meeting, including without limitation auxiliary aids or services, may make a request by contacting Michael A. Cable, Staff Attorney, at (916) 327-5422, or Michael.Cable@etp.ca.gov, or sending a written request to Michael A. Cable, Staff Attorney, at Employment Training Panel, 1100 J Street, 4th Floor, Sacramento, California 95814. Providing your request so that it is received at least five (5) business days before the meeting will help ensure availability of the requested accommodation.



Employment Training Panel

STATE OF CALIFORNIA EMPLOYMENT TRAINING PANEL POLICY COMMITTEE MEETING

In person
1100 J Street, Sacramento, CA, Sequoia Room
Thursday, December 12, 2024

I. POLICY COMMITTEE MEETING CALL TO ORDER

Chair Gretchen Newsom called the meeting to order at 1:00 p.m.

II. ROLL CALL

Present

Gretchen Newsom
Rick Smiles

Not in attendance

Rebecca Bettencourt

Executive Staff

Jessica Grimes, Executive Director
Peter Cooper, Assistant Director
Kumani Armstrong, A.D./Chief Counsel
Jaime Gutierrez, Chief Deputy Director

ETP Representatives

Elisabeth Testa, Policy Manager

III. MEETING AGENDA

No changes to December 12, 2024 Agenda.

ACTION: Member Smiles moved and Chair Newsom seconded approval of the December 12, 2024 Meeting Agenda with no changes. All Policy Committee Members present voted in the affirmative.

Motion carried, 2 to 0.

IV. MEETING MINUTES

No changes to September 26, 2024 Meeting Minutes.

ACTION: Member Smiles moved and Chair Newsom seconded approval of the September 26,

2024 Meeting Minutes with no changes. All Policy Committee Members present voted in the affirmative.

Motion carried, 2 to 0.

V. MANAGER REPORT

Nothing to report at this time

VI. DISCUSSION ITEMS

A. SB 1321

This bill affects ETP legislation, was signed on September 20, 2024 by Governor Newsom, and becomes effective on January 1, 2025. SB 1321 amends two sections of the Unemployment Insurance Code where ETP legislation is housed. Section 10200 where you find the kinds of projects ETP has to give priority to, and Section 10205 where you find some more specific requirements, especially for the consideration of ETP Proposals. No other sections of ETP's legislation are affected. There are 14 amendments to these sections. Five are minor changes (e.g., grammatical, renumbering, or putting something in an outline form instead of paragraph). The 9 remaining amendments vary in their impact on ETP.

Some of the more substantial changes are:

1. Section 10205(e)(1)(E) changed and now means that we need to collect the amount of fringe benefits that are paid to trainees, along with their wages. In order to collect this information it will require a change to the application, a change to Cal-E-Force, and to create a place to put it in the Panel proposal.
2. Section 10205(e)(1)(F) there is a change that requires us to have within all of the projects an attestation that the applicant has complied with all state and federal labor, health and safety laws.
3. The change to Section 10205(e)(2)(B) is a completely new section that says, no proposals shall be considered or approved if an applicant is ineligible to bid, be awarded, or subcontract on a public works project pursuant to the other sections of the Labor Code. This does not apply to every single applicant to ETP.
4. Section 10205(e)(2)(C) is also a brand new section and states that all applicants shall include in their application an attestation affirming the applicant does not have a final determination, order, judgment, or award that has been issued against an applicant for violations of labor law that remain unabated or unsatisfied following the period during which an appeal may be made. No proposal shall be considered or approved if an applicant fails to include this attestation.
5. Section 10205(m) is new and requires us to make a list available to the public, at least every 60 days, of all applicants that have submitted applications. This will most likely be posted on the website.

We are going to coordinate efforts internally to get this up and running as quickly as possible.

Public Comment was requested on this issue

Phil Herrera remarked that Senator Wahab worked well with his advisory group and accepted the amendments that were suggested from the original bill. She continues to watch the program and is interested in helping it in the future. This is a key time for agency to implement what she

believes are her improvements. He notes that ETP has a lot of flexibility in their ability to create regulations and we should take our time to implement this bill in the best way that doesn't create a lot of work. Reach out to him and stakeholders to how this could work, they have ideas regarding the self-attestation for players that are bad. Cal competes has this self-attestation and if they check the box, and it turns out that they do have an infraction, their applications is picked right out of the queue.

Committee Discussion

Committee commented how pleased they were regarding the component about demonstrated wage progression and demonstrated high road training partnerships.

Committee was happy to see that we are going to continue to foster the creation of high wage, high skilled jobs. Also with the component about demonstrated wage progression and High Road training partnerships and would like to see this presented in the proposals.

Committee had questions as to how this is going to benefit the trainees. Will there be wage progression connected with the new training that the trainee is receiving? If they go through the new training maybe they get a new certification? How soon could they anticipate their wages will increase connected to the training or their duration in their employment going forward?

Committee commented that the attestation with compliance may simply be checking a box but it needs to state clearly what they are agreeing to and it doesn't divert them to looking up legislative code sections from other places. It needs to be concise, not verbose, that you are not in violation of Labor laws.

Committee went on to say, the fringe benefits addition may be tricky for us. We have what's referred to as the \$2.50 rule, where the applicant can take \$2.50 of health benefit payments and apply it to the post retention wage. What we are now asking is the sum total of their package of compensation. We are used to this in unions where our members understand the total value of their package and their compensation is not just the wages on the check but also the portion of what the employer is contributing financially to health and welfare. The current proposals show if someone is paid \$20.00 an hour, the Panel members see that wage but in another column the additional amount that the employer is paying toward their health and welfare. By welfare, I mean a pension contribution or retirement account so we can see clearly see the numbers. They are looking forward to seeing these amounts represented in the Panel Proposals.

Regarding the language, "no proposal will be considered approved if the applicant is ineligible to bid or be awarded or subcontract..." item: the verbiage is scary and will need to be clearly explained to the applicant. No fear, you are a good employer, check the box - this what it means.

The list provided regularly at least every 60 days and made available to the public of applicants that have submitted an application – there should possibly be more discussion with Senator Wahab. Curious to see how this moves forward. There could be confusion with the public that because somebody submitted their application and is on the 60 day list that they are then moving forward. As we know, it takes a long time to move forward from submitting to collaborating with staff to then going before Panel. This could be a bit disingenuous to the public as to what the expectation is. Not to speak for Senator Wahab, but I think what she was getting at was more consistency or perhaps a 60 days advance list of what was coming before Panel. A little more

clarity is needed, since the legislation as written refers only to submitted applications, in other words, what happens at the front end, rather than who is set to go to Panel.

This is going to help Panel fine tune priorities, High Road Jobs and wage progression. Agreement was given that this will help identify everything that is important.

Director Grimes replied that we definitely want to make sure that this is rolled out in a way that is very clear. That clarity is prioritized for each area that is changing and that we are communicating what it means to stakeholders. Meetings like this are important for the public comment and for the public to hear where there might be areas of need for us to further break it down. You will notice that the agenda for Policy Committee meeting next year has been beefed up in anticipation that we will need more conversations about this.

Committee requested that this item be a continued matter of discussion and updates with Policy Committee. So if we have to timeline how we are going to come into compliance and how we are moving forward it does not fall off the agenda, providing more opportunity for discussion and feedback.

B. EX-OFFENDER/AT-RISK YOUTH GUIDELINES

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 discussion pertains to the Ex-Offender/At-Risk Youth Guidelines, which are designed to serve trainees from these underserved populations. The program began in 2007 as a pilot and changed to a full guideline in 2010. The program explains how to serve ex-offender and at-risk youth training populations with guidance on things like providing a definition for ex-offender and at risk youth trainees, and outlining program specifics such as what retention periods and wages they are held to. The presentation continued with a review of the performance history of this program over the last few years, and listed all of the benefits and allowances that are provided under these guidelines.

When looking at amending these guidelines, the options are: to do nothing; we could eliminate it; or we could make a few changes to the program, which is what staff is interested in doing. The first change staff would like to propose is to change the name of the program to Justice-Involved/At-Risk Youth Program. This terminology will keep us in alignment with the larger labor and Workforce Development Agency ecosystem. We could potentially add one or more alternate retention periods to give more flexibility to this population. Options are, 500 hours within 272 days; 90 days within 120 days, or 500 hours within 12 months. We could also do a combination if you like. Staff would like to give priority funding to projects with the Ex-Offender Youth component or keep it that only the pre apprenticeship components get the priority. Just some kind priority to this population.

There are no action items beyond soliciting and receiving feedback on the changes proposed or on any other revisions the Committee would like to see. The changes would be incorporated into the guidelines and presented at the next Policy Committee meeting for review.

Public comment was requested on this issue

No public comments

Committee feedback

Committee is definitely supportive of the change in name of the program to Justice-Involved/At-Risk Youth Program. They are supportive of the second item recommending potentially adding some additional retention periods and want to make sure trainees are retained even with alternate retention periods, and that they are staying out of trouble and stay employed to better their lives. There is a question as to what this component would look like. Looking to Staff as to how that would be presented, keeping in mind our goal is to assure compliance, employment and solid training. This is like the Veteran component that we have in our applications. Do we have a question in the application that is related to Veterans? Perhaps we update the application so we have that question addressing Justice Involved/-At-Risk Youth and what that would look like. Regarding giving the funding to those that are in the Justice Involved group that contain a pre-apprenticeship component, how would that work? Typically apprenticeship is well established in the construction industry, earlier on it was reported this is separate from the construction industry for SET.

Staff confirmed that this would be classified under SET because these are trainees that are in multiple barrier and that is where these trainees are handled in our legislation. If there is a concern about the retention periods, maybe just add the 90 days within 120 days instead of the other more complicated ones. Regarding the pre-apprenticeship component: what this means is that if the project has a Justice Involved/-At-Risk Youth component, and within that component there are pre-apprentices, so they are actually already given priority. So the last proposed changes, numbers three or four is basically that either we can give funding priority to every project that has a Justice Involved/-At-Risk Youth component or we can only give priority to the ones that have a pre-apprentice component.

Committee preferred item three, which would serve more of the population rather than just somebody that has an established pre-apprenticeship program which is largely construction. Establishing the kind of components as to what this is, a higher number full of cap hours of 260 a trainee is good. However, where full time is considered 30 hours per week, our usual is 35. The understanding is that at 35 it triggers healthcare provisions – labor law requirements that once you work 35 hours you are entitled to other benefits. By reducing it down to 30, we are subjecting this population, that is a priority population, to not earning healthcare, which then puts them into a position that makes it harder to leave the justice community and be well founded and supportive of themselves and their families. We should consider eliminating that component. The other component that holds trainees to the new hire or HUA wages regardless of whether they are, is that correct?

Staff confirmed that if they were in a HUA whether they are a retrainee or a new hire, they would get the HUA wage, the same for any ETP trainee. But the new hire wage is lower than the retraining wage. So even if the Justice-Involved/At-Risk Youth trainee is a retrainee, they are only held to the new hire wage.

Committee wants to see that all trainees specifically like those communities of concern, which this is, have access to a higher wage and not be penalized by where they come from. They served their time and we don't want to give the optics that it's allowable to pay this person less because of where they come from.

Staff sought clarification that whatever wage they are supposed to get as a regular trainee is what Committee wants. If they are a new hire, they get the new hire wage; if they are a trainee, they get the retraining wage; if they are a HUA, they get the HUA wage.

Committee explained that there was a proposal that was for a different population of concern. It was debated at Panel as to how much was the appropriate amount to pay them over minimum wage. The conversation became very negative. This population wants to be self-sufficient and in order for them to be self-sufficient and successful they need to be earning wages that allow them to proceed forward. So, this population should not be further penalized with lower wages than they could be earning. This is a population that the unions work with consistently in construction and they have an additional hurdle for gainful employment. There are issues with getting permission to go to a new job site, they are not allowed a driver's license it is frustrating. There are some outreach training programs for folks still on the inside, a career ladder or way to connect. However, there is a disparity of gender. So how we frame this into policy will be a challenge.

Staff clarified Committee's desires: this will come back to Committee with updated grammar and whatever other cleanup there is like the name change; If any project has an Justice-Involved/At-Risk Youth component, they will get priority - not just if they have a pre-apprenticeship. Full time will be changed to 35 hours; and they will all be held to normal ETP wages.

Committee would like staff to do a little outreach before this goes to Panel.

Director Grimes explained that a new terminology for At-Risk Youth is Opportunity Youth, so we may want to add that name change as well to allow for greater equity.

Committee agreed and asked if that also encompassed those in the foster care system?

Director Grimes stated yes it is.

C. APPLICATION AND PROPOSAL QUALITY

Staff member Soua Yang related that since August they have been mapping the application process and are currently on the electronic records keeping section. The application is fairly large; there are between 111 and 233 questions. So they are trying to take out sections that are not necessary. They have two prototypes and have done surveys with the Regional Office Analysts and are trying to pick an option. Once that process is completed it should be implemented by the end of the year or in January. There is no action required at this time.

Committee asked if the selected option would come before Policy or Panel, so the public could be more aware of the changes.

Soua stated they could bring it up at the January Panel meeting.

Public comment was requested on this issue

No comments

Committee feedback

No comments

VII. ACTION ITEMS

A. RESPOND GUIDELINES

Revised RESPOND Program guidelines. These include the changes requested by Committee in August, namely, a general grammatical clean-up and a revision to the definition of natural disaster. Action is requested so this can go to Panel for approval.

Public comment was requested on this issue.

No public comment

ACTION: Member Smiles moved and Chair Newsom seconded approval to the revised RESPOND policy guidelines. All Policy Committee Members present voted in the affirmative.

Motion carried, 2 to 0.

B. CERTIFIED SAFETY TRAINING GUIDELINES

Revised Certified Safety Training Guidelines. These include the changes requested by Committee in August, namely, a general grammatical clean-up and to remove all references to the outdated cap on CBT training hours. Action is requested so this can go to Panel for approval.

Public comment was requested on this issue.

No public comment

ACTION: Member Smiles moved and Chair Newsom seconded approval of the revised Certified Safety Training Guidelines. All Policy Committee Members present voted in the affirmative.

Motion carried, 2 to 0.

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

Rick Smiles announced that due to work conflicts he is resigning from Policy Committee but will continue as part of the Panel.

The opportunity for Panel members to join Policy Committee will be announced at Panel tomorrow.

IX. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Michelle Richter brought up the out of state vendor issue. She has clients that would like to use out of state vendors and is getting push back from staff so she would like to get a clear understanding of what the rules are and how to go about requesting a waiver or what is needed.

Phil Herrera wanted to share what he has been doing this year. He has been meeting with elected officials regarding ETP and a couple of the Go-Biz incentives. He discovered that they did not know the good stuff only the bad stuff. There are a lot of new members in the legislature and it is important that we get to them and let them know the good work we do. There are some real opportunities for ETP with his customers that have been thrust into the national spotlight.

Committee feedback

Committee thought that that perhaps a one or two pager that could be distributed to the entire legislature, particularly the freshman class, but structured in a way that educates them as to the value of our program and to keep funding it. This would then enable them to turn this back to their constituents when they receive calls for further support from small businesses in their district that they want to promote and see their workforce better trained.

Assistant Director Cooper mentioned that they were restarting a process for a press release that would go the legislature. Not just the press release but also letters, as was done several years ago. After Panel a letter would go to each of the Senators or Assembly members that have contracts in their districts, allowing them to know more about those specific projects, but more importantly to understand ETP and have a venue for connecting with us if they want an overview of ETP. We are working closely with Labor Agency on a process. Hopefully after the January Panel meeting.

Committee stated that the press release used to be a summary of key new contracts that were funded plus the listing of everybody else and some wonderful remarks.

Assistant Director Cooper explained that it was going to change slightly. The direction that labor agency is now going in is to have a press release around a theme. Maybe it's healthcare support for the economy or its apprenticeship or other areas where ETP have really invested a lot in that recent Panel. Critical proposals would sometimes be included. And you have not only the press releases but the specific letters.

IX. MEETING ADJOURNMENT

Chair Newsom adjourned the meeting at 2:01 p.m.



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Rebecca Bettencourt, Member
Michael Hill, Member
Jennifer Fothergill, Member

CC: Executive Staff
Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

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

Date: February 27,
2025

I. Brief Issue Statement:

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 Veterans Guidelines, which provide information on how to include and serve veterans within ETP contracts.

This discussion will include a brief history of the Veterans Guidelines, 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. Background Information:

ETP's Veterans program began as a pilot in 2008 and was changed to a full guideline in 2010. The program explains how to serve this trainee population, with guidance provided on such things as a trainee definition, retention periods, and wages.

ETP's Veterans program is designed to assist veterans by helping to provide them with the skills necessary to enter the workforce, to ease the transition from military to civilian life, and to enable them to access more opportunities for advancement in high-wage, high-skill jobs. ETP's definition of veteran also includes those veterans who are transitioning active-duty veterans, in order to further assist in their re-entry into civilian life.

An analysis of the performance and effectiveness of the Veterans program from FY 19/20 to the present shows the following:

FY	% of Contracts with Veteran Component	SE:MEC Contract w/ Vets Split	# Enrolled Veterans	# of Vets that Completed Retention	\$ Earned by Vets	% of Funds Earned by Vets
FY 19/20	49%	84SE 68MEC	3,264	1,985 (61%)	\$2,435,888	4%
FY 20/21	41%	50SE 82MEC	2,110	1,318 (62%)	\$1,966,919	6%
FY 21/22	48%	70SE 72MEC	2,167	1,075 (50%)	\$1,706,434	3%
FY 22/23	38%	76SE 53MEC	1,587	635 (40%)	\$858,537	5%
FY 23/24	27%	33SE 52MEC	784	40 (5%) To Date	\$93,832 To Date	2% To Date
FY 24/25	8%	6SE 9MEC	163	0 To Date	\$0 To Date	0 To Date

The Veterans program provides the following advantages to participants:

- A definition of Veteran, which includes transitioning active-duty members;
- Trainee eligibility requirements – and specifically, how transitioning active-duty members should be handled;
- Proof of trainee eligibility requirements (ie: documentation, certifications, etc.);
- Allows up to 50% of training to be in Literacy Skills or other basic skills training, in other words, the Literacy Skills cap is moved from 45% to 50%. At least 50% of the training needs to be in vocational skills;
- Full-time is considered 30 hours per week;
- Provides an additional retention period of 500 hours within 270 days with one or more employers, in addition to the standard 90 day retention period;
- Provides MECs with a higher 20% limit on support costs (as compared to the normal 8% or 12% if using New Hires) – Note: the higher support costs are calculated only on veterans that are enrolled into a veterans job number;
- Provides the highest reimbursement rate for veterans – Notes: CBT training is reimbursed at a lower amount for all trainees; and, veterans may be held to a

lower reimbursement rate if they are not enrolled in a veterans only job number and the lower reimbursement rate would normally apply;

- Outlines additional data requirements that may be required, such as information on geographical areas served, recruitment outreach, or placement efforts;
- A higher incidental placement cap of 25% (or up to 45% with justification);
- Provides contact information for ETP's Economic Development Unit for assistance with referrals.

All other program elements (ie: wages, contractor eligibility, etc.) follow normal ETP parameters. A copy of the Veterans Guidelines are included in the meeting materials for reference.

Potential actions ETP can explore include: making no changes to the Veterans program; eliminating the Veterans program, which ETP is not interested in pursuing; or changing particular elements of the Veterans program.

Staff are interested in exploring a few potential revisions to the Veterans Guidelines, including:

- 1) Removing all references to the Retrainee Job Creation Program, which has been discontinued;
- 2) Ensuring all references to ETP contacts, forms, and other references are correct;
- 3) Giving funding priority to projects with Veterans component;

III. Recommendation:

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



Guidelines for: Veterans

Effective: October 16, 2008

Revision History: 10/26/2021: Updated references to reimbursement rates to always refer to the current Fiscal Year's reimbursement rate table 1/7/2021: Added EDU's contact information for their veteran's services referral program. 12/12/2019: Summary: added transitioning active duty veterans to the definition of veterans, and clarifies how to handle this group as new hires. 02/22/2019: Summary: Revised guidelines to remove PL limitation on training hours. 05/24/2018: At the May 2018 Panel Meeting, the Panel approved an update of ETP reimbursement rates (from \$22 to \$26 for classroom, AT and class/lab, from \$8 to \$9 for CBT; removed Small Business exception) to be effective for all projects with a term date starting in FY 18/19. 01/01/2016: Removed the Job Creation benchmark for "date of hire" as a condition of Retrainee eligibility, and made related clarifications (i.e. Veterans can still have a Job Creation attribute). Clarified two exceptions to the \$22 reimbursement rate: \$26 for Vets in Priority Small Business, and \$13 for Veteran Apprentices. Removed the 24-month look-back period for SET/MB eligibility. Clarified that training for Veterans can be both MEC and SEC. Clarified that hours for training are standard, unless there is justification. Removed "advance payments" given the lack of demand. Other minor revisions for clarity. 11/19/2015: Clarifies that retrainees may exceed the 200-hour cap with an approved justification, for this and other programs. Also noted, for the Productive Laboratory delivery method the maximum training hours are capped at 60 (24 for Small Business). 10/20/2011: Revised to indicate in projects with vets and non-vets, only the VET Job Number eligible for 20% support costs. 09/23/2011: Revise Retrainee eligibility criteria consistent with Retrainee/Job Creation Guidelines (benchmark period criteria). For Set Multiple Barriers, extend prior time period trainee may have been on active duty, from 12 to 24 months. Revise curriculum requirements to allow basic skills training necessary for veterans to transition into the civilian workforce. Revise retention requirements for occupations where it is not customary to work 90 consecutive days, to allow 500 hours within 272 days (rather than 180 days). Increase training reimbursement rate, from \$20 to \$22 per hour. Increase support costs, from 12% to 20%. Increase allowable incidental placements, from 35%, to 45%. 06/03/2010: Revised to indicate program no longer a pilot and incorporated into the Panel program. 03/05/2009: Amended standard 90-day Retention criteria to remove reference to employment with up to 3 employers. Also removed reference from retention period of 500 hours within 180 days. 01/15/2009: Standardized Pilot templates with standardized main headings, added new logo, removed standard ETP criteria.

These are guidelines only. If a proposal raises the need for further modifications, 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 need for employment training assistance for veterans has increased, due to the number of active and reserve personnel who have performed military service in recent years. In response to the need to assist veterans, ETP designated service to veterans as a funding priority in its Fiscal Year (FY) 2008-09 Strategic Plan and implemented a veteran's pilot program. The intent of the pilot was to recruit, train, and place more unemployed veterans

in jobs through multiple employer contracts (MECs) or single employer contracts for retrainees who met the pilot definition of veteran and were hired as full-time employees of the contractor by the start of retention. Veteran training has since been incorporated into the Panel program.

In August 2011, Governor Brown issued Executive Order B-9-11 establishing the California Interagency Council on Veterans to improve how veterans' services are coordinated across local, state and federal government. The Employment Training Panel will be a member of the Council. The Council will work collaboratively with stakeholders to help address the needs of service men and women who return to California annually and face many challenges. In support of this effort, ETP will strengthen its outreach to veterans, and further incentivize training for veterans.

PURPOSE:

- The program provides veterans with necessary skills to enter the workforce and improves their opportunities for advancement in high wage, secure jobs.
- The program enables the Panel to test the concept of new training models designed to serve veterans.

ELIGIBILITY

- **Employers:** Veterans training may be provided under a Multiple Employer Contract (MEC) and/or a Single Employer Contract.
- **Trainees:**
 - Participants must be veterans who have served on active full-time duty in the Armed Forces and were (a) honorably discharged; (b) released from active duty because of a service-connected disability; or (c) are transitioning active duty military personnel within one year prior to their anticipated separation date. Reservists who have served on active full-time duty, and who are still on reserve status, are also eligible to participate. For the purpose of this pilot, the California National Guard is considered to be a branch of the Armed forces.
 - Participants may be New Hires or Retrainees. The standard eligibility criteria per UI Code Section 10201(c) apply; except for projects funded under SET, which are exempt from those criteria. Additionally, transitioning active duty veterans who are within one year prior to their anticipated separation date also qualify for new hire training, even though they are not eligible to receive Unemployment Insurance benefits until they actually separate from service.
 - If hired within the "benchmark period" for Retrainee-Job Creation, Veterans qualify for the lower New Hire wage and other features of that program; they also qualify for the \$26 reimbursement rate and other incentives of the Veterans Program. In other words, for training under a Single Employer Contract, the best features of Retrainee-Job Creation and Veterans apply.
 - If SET, Multiple Barriers (SET/MB) then:
Veterans may qualify for SET/MB without regard to date of deployment on a case-by-case basis, with justification.

Veterans Guidelines

- Contractor is responsible for determining trainee eligibility in accordance with these Guidelines. Contractor must keep documentation of eligibility on file and available for review by ETP Monitors upon request.
- Veterans will be funded under a separate Job Number and also “tagged” at enrollment on ETP Form104.

Curriculum

- At least 50% of a trainee’s training hours must consist of vocational skills training. The remaining hours may consist of literacy training, or other basic skills training necessary to transition into the civilian workforce as approved on a case-by-case basis.

Retention Requirements

- Full-time employment is required for a minimum of 30 hours per week during the consecutive 90-day employment retention period; or,
- For occupations in which it is not customary for a worker to be employed 90 consecutive days with a single employer, retention may be 500 hours within **272** days with one or more participating employers.

Wage

- Standard Wage requirements and waivers apply.

Reimbursement

- Refer to the current Fiscal Year’s reimbursement rate table for the correct reimbursement rate.
- The new hire cap on cost per trainee may be modified for good cause, on a case-by-case basis. HUA and SET/HUA is deemed good cause.
- The retraining cap on hours may be modified.
- In projects with Veterans and other trainees, the Veterans should be funded under a separate Job Number for purposes of incentives such as the \$26 per-hour reimbursement rate.
- In a MEC with Veterans and other trainees, only the Veteran’s Job Number qualifies for **20%** support costs.

Training Hours

- The minimum and maximum training hours are 8 and 200. An approved justification is required to exceed the maximum training hours.

Additional Information

- **Incidental Placement:** Incidental placement of veterans with public and non-profit entities is permissible but placement generally should not exceed 25% of the number to retain in employment, by Job Number. The incidental placement rate may increase, on a case-by-case basis, to **45%** if the contractor can demonstrate good cause. (SET/MB or HUA is deemed good cause.)

Veterans Guidelines

- **Data Collection:** At contract closeout, contractors may be asked to complete a survey to provide ETP with quantitative and qualitative data including, but not limited to:
 - Recruitment outreach
 - Eligibility determination
 - Training completion
 - Placement efforts
 - Actual training cost
 - Stability of participating employers
 - Areas served (rural or urban)
- **EDU Referrals:** EDU will be assisting with referrals for ETP contractors and potential contractors to veteran hiring organizations and other veteran service programs. Please refer all stakeholder inquiries on these topics to EDU as follows:
 - Southern California: (919)755-3634
 - Northern California: (916)327-5258
 - Email: ETPEDUnit@etp.ca.gov



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Rebecca Bettencourt, Member
Michael Hill, Member
Jennifer Fothergill, Member

Date: February 27,
2025

CC: Executive Staff
Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item
Discussion for Policy Committee Re: MEC Proposal Contents/Quality

I. Brief Issue Statement:

ETP Panel members have expressed a desire to begin a comprehensive review of MEC Proposals, focused on improving the quality and content of the information they receive in the Panel Proposals that come before them. Accurate and current information is necessary for the Panel to make informed decisions, and this comprehensive review will enable ETP staff to help gather the information that Panel requires. ETP's enabling legislation (UI Code Section 10205(c)) requires us to "Solicit proposals and write contracts on the basis of proposals made directly to it", therefore, the information contained in the Proposals must be clear, accurate, current, and thorough, since the Proposal is the only document that can provide Panel with the information required for them to make their decisions.

This will be the first in a series of discussions on this topic. This memo will begin to introduce some of the areas that Panel members have pointed out as areas of concern. One of the main goals of today's presentation is to gather feedback from Committee members as to what types of improvements they would like to see within the MEC Proposals. Staff would like to emphasize that this presentation is designed to be a positive and constructive discussion, and is not designed to 'lay blame' or criticize any party. The goal is to make ETP Proposals as strong and well-designed as possible, in order for us to have the widest reaching positive impact on the lives of our participating trainees and on California's economy.

II. Background Information:

Improving the quality of MEC Proposals will bring many benefits, including:

- Reducing the need for Panel members to ask as many questions during Panel meetings, thus increasing meeting efficiency and reducing meeting lengths;
- Ensure robust discussion at our open meetings;
- Potentially eliminate the need for as many contract revisions, thus saving both staff and stakeholder work time;
- Allowing the proposed contractor a chance to really highlight the strengths of their programs, and to receive recognition for their work;
- Provide quality examples for new applicants to model their own Proposals on;
- Help repeat contractors demonstrate their successes in prior contracts; and,
- Ensure that ETP funds are being awarded to the programs that best meet ETP priorities.

Following are some of the items that have been brought to staff's attention as areas of the MEC Proposals that may need more focused review, including:

- 1) Clarity of union support status: Is there a union or no? Are all trainees in the contract represented or just some? Is the union(s) identified clearly? Have all required Notice of Intent and Union Support paperwork been received?
- 2) Clarity on MEC's relationship with their Participating Employers (PEs): How do they determine the PEs listed on the early demand form? How do they determine their level of demand? Do they recruit the same PEs from contract to contract? Are their PEs only in their geographic service area or no? If not, how are they serving those PEs? How do the MECs communicate with their PEs to obtain required information, especially during the contract term?
- 3) Clarity in curriculum: Has the curriculum been developed jointly with the PEs (and union(s) if applicable) or no? Is the curriculum clearly labeled and represented in the Proposal? Are courses that provide certificates/licenses clearly identified? Is their training program fully explained?
- 4) General clarity in Proposals: Has the Proposal been crafted specifically for the contract to be awarded or is it a more 'generic' Proposal (this is especially relevant for repeat contracts)? Is there contradictory information or missing information?
- 5) Regarding trainees: Are the same trainees being trained in consecutive contracts and if so, are they receiving repeat training?

- 6) Regarding accuracy: Are all figures, including wages, health benefit amounts, trainee counts, job number make-up, etc accurate?
- 7) Regarding training vendors: Have they been identified or not?
- 8) Regarding affiliates: Can these projects be handled as a MEC/Group of Employer?

There are many potential actions that ETP may need to take in order to address these issues. Some are educational items that our discussions here may resolve. Some may require changes to the application and/or panel proposals within our computer system. Some may require regulatory updates or other policy or procedural updates. Staff would like to again emphasize that the goals here are not punitive but rather designed to generate the best possible Proposals in order to be awarding contracts that truly meet ETP's priorities, to increase accuracy and efficiency in ETP processes, and to provide a place for proposed contractors to highlight all of the excellent work that they have been doing.

III. Recommendation:

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



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Rebecca Bettencourt, Member
Michael Hill, Member
Jennifer Fothergill, Member

Date: February 27,
2025

CC: Executive Staff
Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item
Discussion for Policy Committee Re: Contract Revisions Process

I. Brief Issue Statement:

ETP Panel members have expressed a desire to begin a comprehensive review of ETP's contract revisions process – when contractors request changes to their current executed contracts. ETP's regulation 22 CCR 4445 Contract Performance and Amendments allows for ETP contracts to be revised, and provides some basic parameters for this process. Historically, most contract revisions have been processed in-house by ETP staff. Panel has expressed a desire to both learn more about the types of revision requests ETP receives and the revision process, as well as to review which types of revisions they would prefer to see come before the full Panel.

This will be the first in a series of discussions on this topic. This memo will begin to introduce ETP's revision process by looking at our regulation, and at ETP's current practices. One of the main goals of today's presentation is to gather feedback from Committee members as to what types of revisions they would like to see come before them.

II. Background Information:

ETP's regulation 22 CCR 4445 Contract Performance and Amendments reads as follows:

(a) Contractors cannot earn payment within the meaning of Section 4400(r) until the effective date of the contract.

(b) The Panel shall not approve contract amendments after the term has ended.

(c) The Panel will consider a contractor's prior and ongoing performance on any prior contract(s) when considering whether to approve a new contract, or the amendment of an existing contract. The Panel will review performance using the following non-inclusive criteria:

- (1) Percentage of encumbered funds earned by contractor;
- (2) Percentage of trainees retained in employment;
- (3) Percentage of trainees enrolled under contract;

(d) For purposes of this section "encumbered" means funds set aside for payments to be made by ETP in a given fiscal year from the approved amount of funding.

This regulation allows ETP to amend our contracts; clarifies that no payment can be earned before the contract has been executed; notes that no amendments can be approved once the contract has closed; and requires ETP to review the performance of prior and ongoing contracts when considering to approve an amendment by specifically looking at the amount of funds earned, the number of trainees enrolled, and the number of trainees that have already finished retention.

Additionally, ETP's contract templates have contract clauses in them for contract revisions.

ETP receives requests for all sorts of contract revisions, from minor to major, including, but not limited to:

- Address/contact information changes;
- Company name changes;
- "Assumptions of Liability";
- Funding increases;
- Changes to Curriculum;
- Changes to Training Vendors;
- Adding or Deleting Job Numbers;
- Moving funds between Job Numbers;
- Changing Funding Categories (ie: adding SET to an OSC contract);
- Changes to retention;
- Special contract language requests;
- Changes to range of training hours;
- Changes to Delivery Methods;
- Changes to Occupational Titles;
- Wage level changes;
- Adding HUA;
- Adding affiliates to SE contracts;
- Adding PEOs;
- Changing health benefit amounts;
- Recordkeeping modifications;
- Changes to subcontractors.

The general procedure for revisions requests is as follows:

- Customer requests revision;
- Field Office staff review revision request:
 - o They determine if this is a revision that should go before Panel or not;
 - o They determine if the revision is possible, and review the request, including the justifications for the request;
- Field Office staff process the revision:
 - o They prepare a revision proposal for Panel if needed;
 - o They prepare other revisions for the review of the revision approver (either the Executive Director or a Manager, dependent upon the type of revision);
- Approver (Panel or in-house) reviews the revision and approves or denies;
- Field Office and Contract Review Unit staff finalize the revision.

Staff is interested to see which type of revisions Panel would like to review/approve, and to see if you have any questions on the types of revisions we receive or the revisions process.

III. Recommendation:

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



Employment Training Panel

Memorandum

To: ETP Policy Committee
Gretchen Newsom, Chairperson
Rebecca Bettencourt, Member
Michael Hill, Member
Jennifer Fothergill, Member

Date: February 27,
2025

CC: Executive Staff
Jessica Grimes, Executive Director
Kumani Armstrong, Assistant Director/Chief Counsel
Peter Cooper, Assistant Director

From: Lis Testa, Policy Manager

Subject: ETP Policy Committee Meeting Agenda Item
Action Item for Policy Committee Re: Justice-Involved/Opportunity Youth Guidelines

I. Brief Issue Statement:

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). At the December 2024 Policy Committee meeting, Committee reviewed the Ex-Offender/At-Risk Youth Guidelines, which provide information for providing support and including these populations within ETP contracts.

This presentation will review the changes to the Ex-Offender/At-Risk Youth Guidelines that were discussed at the December 2024 Committee meeting.

II. Background Information:

The discussion from the December 2024 Committee meeting resulted in the following recommendations for the Ex-Offender/At-Risk Youth Guidelines:

- 1) To perform a general clean-up of the guidelines for small items such as punctuation, grammar, etc.;
- 2) To change the name of the program to Justice-Involved/Opportunity Youth Guidelines, in order to align with wider Labor Agency terminology;
- 3) To change what is considered to be full-time work from 30 hours to 35 hours;

- 4) To have all trainees meet whichever ETP wage relevant to their population, rather than having all trainees held to the New Hire wage – in other words, standard ETP wages apply;
- 5) To give funding priority to all projects with a Justice-Involved/Opportunity Youth component, rather than to just those with a pre-apprenticeship component.

A draft version of the Justice-Involved/Opportunity Youth Guidelines, with the above changes incorporated, are included in your meeting materials for today.

III. Recommendation:

Staff is requesting an action item to approve the revised draft of the Justice-Involved/Opportunity Youth Guidelines and to move the revised Guidelines to the full Panel for approval.



Guidelines for: Justice-Involved/Opportunity Youth

Effective: September 1, 2007

Revision History: 03/02/2016 Clarifies that retrainees may exceed the 260-hour cap with an approved justification, for this and other programs. 08/010/2015 Summary: Governor Brown signed AB1270 changing the name of the California Workforce Investment Board (CWIB) to California Workforce Development Board (CWDB). All CWIB citations have been updated to reflect this name change. 06/07/2010 Revised to indicate program no longer a pilot and incorporated in the Panel program. 03/05/2009 Amended standard 90-day Retention criteria to remove reference to employment with up to 3 employers. 01/15/2009 Standardized Pilot templates with standardized main headings, added new logo, removed standard ETP criteria. 03/11/2008 Amended wages – can be modified up to 25% below ETO new hire wage. Amended Incidental Placement – can be increased to 35% with good cause.

These are guidelines only. If a proposal raises the need for further modifications, 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

On May 2, 2007, Governor Schwarzenegger signed Assembly Bill 900, the Public Safety and Ex-Offender Rehabilitation Services Act (Rehabilitation Act). This legislation fundamentally reforms California's penal system, and gives the State a means to reduce prison overcrowding, and lower recidivism. A goal of the Rehabilitation Act is to release prisoners with tools to prevent recidivism.

On May 25, 2007 the governor also proposed a new initiative to combat gang violence in California. The California Gang Reduction, Intervention and Prevention Program (CalGRIP) will target over \$48 million toward local anti-gang efforts, including job training, education and intervention programs. The Governor's budget investment in career technology education, equipment and teachers (\$227 million), as well as after-school programs and school counselors will give at-risk youth alternatives to gang life. CalGRIP redirects millions of dollars in uncommitted Workforce Investment Act funds to expand job training for current gang members, gang-involved and at-risk youth in fiscal year 2007-08. The proposal combines funding, coordination, and a balanced approach of suppression, intervention, and prevention strategies to fight the gang problem.

To support these efforts, effective September 1, 2007, the Panel implemented a new ETP pilot program, pursuant to UI Code, Section 10214.5, under the Special Employment Training (SET) category, serving workers with multiple barriers to employment. The Panel was to approve up to \$2 million in FY 2007-08 for Ex-Offender/At-Risk Youth projects. The program addressed the Panel's Strategic Plan goal of supporting hard-to-serve populations through the implementation of a pilot project to provide critical job skills training and jobs to

ex-offenders and youth at risk of becoming involved in gangs and/or criminal activities. The pilot has since been incorporated into the Panel program.

ELIGIBILITY

Contractor:

- The contractor must be eligible to contract with the Panel, under Unemployment Insurance Code Section 10205 (c) as one of the following:
 - An employer or group of employers;
 - A training agency;
 - A local California Workforce Development Board (CWDB); or
 - A grant recipient or administrative entity, pursuant to the Workforce Investment Act.
- Contractors must demonstrate past success in training and placing Justice-Involved (formerly known as ex-offenders) and/or Opportunity Youth (formerly known as At-Risk Youth) in skilled jobs through referrals from federal and state corrections, justice, or employment agencies. In addition, the contractor must describe its recruitment, training, and placement plans for the proposed ETP training project.
- All projects with a Justice-Involved/Opportunity Youth component will receive funding priority.

Participating Employer:

- Employers must be subject to the Employment Training Tax, per UI Code, Section 10201 (b).
- Employers are not required to meet the Panel's out-of-state competition eligibility requirements set forth in UI Code, Section 10200 (a)(1).

Trainees:

- Trainees can be either employed or unemployed Justice-Involved individuals, or employed or unemployed Opportunity Youth.
- Young adults between 18 and 23 years of age may be deemed to be an Opportunity Youth if they are not in school or employed full-time at time of recruitment, and meet one or more of the following criteria:
 - Previously involved in or heavily exposed to gang activities
 - Homeless
 - History of drug addiction
 - Have child on public assistance
 - Emancipated foster youth (can be younger than 18)
 - Physical or mental disability
 - Parent is incarcerated
 - High school dropout

- The Justice-Involved/Opportunity Youth trainees will all be enrolled in SET job numbers, as these Guidelines are an outgrowth of the SET Multiple Barriers Regulation 22 CCR 4409(a)(7).
- **Proof of Trainee Eligibility:**
 - *Opportunity Youth* - The contractor must retain written documentation and certify that the Opportunity Youth trainee has at least one of the identified at-risk factors.
 - *Justice-Involved* - The contractor must certify that the Justice-Involved trainee has a criminal record, and is on probation, parole, or is experiencing difficulty in obtaining or retaining secure employment, due to the trainee's Justice-Involved status.

A Contractor must obtain/maintain evidence of trainee eligibility on file for ETP review. As the trainee's ETP eligibility is based solely on their Justice-Involved status, the contractor is responsible for obtaining written proof of the trainee's eligibility from the Department of Corrections and Rehabilitation, or other written documentation. Since all Justice-Involved individuals are assigned a parole or probation officer, the trainee may obtain written documentation from their parole/probation officer. At a minimum, such documentation must identify the following:

- Justice-Involved individual's name and case number (or other ex-offender identifier);
 - Parole or Probation Officer's name and phone number; and,
 - Indication that the trainee is a Justice-Involved individual with a record from a Division of Juvenile Justice or Department of Corrections institution.
- The regional office analyst must review contractor files to ensure that evidence of trainee eligibility is being maintained as described above.

Training Delivery

- Standard Training Delivery Requirements apply.

Training Hours

- The minimum and maximum training hours are 8 and 260. An approved justification is required to exceed the maximum training hours.

Curriculum

- Training may consist of classroom, laboratory, videoconferencing, and computer-based training.
- At least 50% of trainee's total training hours must consist of vocational skills training. In conjunction with vocational skills training, training may also include basic skills and literacy skills.
- The standard cap on training hours for retrainees (200 hours) does not apply.

Retention Requirements

Justice-Involved/Opportunity Youth Guidelines

- Full-time employment is required for a minimum of 35 hours per week during the consecutive 90-day employment retention period.
- Retention may be 500 hours within 180 days with one or more participating employers.

Wage

- Standard ETP wages apply.

Reimbursement

- Multiple employer contractors (MEC) may receive up to 12% for support costs.
- The standard cap on new-hire trainee costs may be exceeded for good cause.

Additional Information

- **Program Evaluation:** ETP will work with contractors to obtain trainee data, which can be used for analysis of the effectiveness of Justice-Involved/Opportunity Youth training.

ETP will follow-up on trainees after the completion of training and employment retention (e.g., using EDD's Base Wage File, surveys, etc.), to determine the effectiveness of the training in helping trainees obtain and keep secure, good-paying jobs.

- **Program Parameters:**
 - Projects may be funded to serve either unemployed or employed individuals with a criminal record who are currently, or have been in parole status; or young adults who are deemed to be at risk for becoming involved in anti-social activities.
 - Projects must emphasize training to support the long-term job preparation and job security of the Justice-Involved trainees, and/or training to assist Opportunity Youth in learning work skills, and helping them find and succeed in a career path.
 - All projects with a Justice-Involved/Opportunity Youth component will receive funding priority.
 - All training provided to Justice-Involved or Opportunity Youth will be separated from other training in a combined project by distinct job numbers.
- **Recruitment and Collaboration**
 - The contractor must identify a plan for recruiting and screening trainees, which must be submitted with the proposed training project.
 - The contractor must describe other program funds and resources that will be used in collaboration with ETP funds to serve project trainees (e.g., wage subsidies, transportation costs, supportive services, employer tax credits).
- **Incidental Placement:** Incidental placement of Justice-Involved and Opportunity Youth with public and non-profit entities is permissible, but placements generally should not exceed 25% of the number to retain in employment, by job number. With showing of good cause, incidental placements may be increased up to 35%.