



**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.