



POLICY COMMITTEE MEETING NOTICE & AGENDA

TIME/PLACE

Thursday, April 24, 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/88585115030>

Passcode: 592978

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 April 24, 2025 Policy Committee Meeting Agenda
- Action to Approve February 27, 2025 Policy Committee Meeting Minutes

Policy Manager Report

Policy Committee Meeting Date: April 24, 2025

- None this month

Discussion Items

- MEC Proposal Contents/Quality Lis Testa
- Contract Revision Process Lis Testa

Action Items

- Veterans Guidelines Lis Testa
- 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, February 27, 2025

I. POLICY COMMITTEE MEETING CALL TO ORDER

Acting Chair Rebecca Bettencourt called the meeting to order at 1:01 p.m.

II. ROLL CALL

Present

Gretchen Newsom (virtual)
Rebecca Bettencourt (Acting Chair)
Mike Hill
Jennifer Fothergill

Executive Staff

Jessica Grimes, Director
Peter Cooper, Assistant Director
Kumani Armstrong, Assistant Director/ Chief Counsel
Michael Cable, Staff Attorney

ETP Representatives

Elisabeth Testa, Policy Manager

III. MEETING AGENDA

No changes to February 27, 2025 Agenda.

ACTION: Chair Newsom moved and Mike Hill seconded approval of the February 27, 2025 Meeting Agenda with no changes. All Policy Committee Members present voted in the affirmative.

Motion carried, 4 to 0.

IV. MEETING MINUTES

No changes to December 12, 2024 Meeting Minutes.

ACTION: Chair Newsom moved and Mike Hill seconded approval of the December 12, 2024 Meeting Minutes with no changes. All Policy Committee Members present voted in the

affirmative.

Motion carried, 4 to 0.

V. POLICY MANAGER REPORT

Update on SB 1321, which affects ETP in a few ways. There are a couple of action items that have come out of SB 1321's approval. We have started working on drafting language for the questions that will have to be added to the system, as per SB 1321, and we are getting the system programmed. We hope to have everything finished within 5-6 weeks.

Committee asked if the updates were going to come before Policy Committee or the Panel so there is a general awareness.

Lis Testa first noted that ETP had already brought discussions of SB 1321 to multiple Committee and Panel meetings, so hopefully no one is feeling surprised. She then turned responses over to Dr. Grimes, who replied that it is an iterative process and so there would probably be some additional items to move forward eventually. We are trying to make sure that we are in compliance as soon as possible, and will continue to make any necessary adjustments as time goes on.

VI. DISCUSSION ITEMS

A. Veterans Program Guidelines

The Veterans Program began as a pilot program in 2008 and changed to full guideline in 2010. Designed to assist veterans by helping them transition from military to civilian life by gaining the skills they need to re-enter the workforce. Also allowing them access to more opportunities for advancement in high wage and high skilled jobs that are ETPs priority for funding. Data from recent years was presented, showing how many trainees participated and how much funding they earned, among other statistics. In the Veterans guidelines, the following changes to our regular core program or advantages are provided to them: a higher percentage of literacy skills 50% (normal is 45%); a requirement that at least 50% of the training is vocational skills; and full time is considered 30 hours per week. There is an additional retention period outside of the normal 90 days, it is 500 hours within 270 days with one or more employers. There are other MEC specific provisions. We want to keep this guideline and make it better. Staff is recommending doing a general clean-up, removing all references to the retraining job creation program (which has been discontinued), making sure contact numbers, forms, and internal references are correct; and to give funding priority to projects that have a veterans component.

Committee feedback

Committee had questions as to if an active duty service member could receive training outside of the service? Also can we have a historic perspective on where the full time employment of 30 hours came from?

Policy manager explained that transitional members are not in active duty but are in the process of being discharged. There are forms that they complete to show that they are transitioning out of service in order for them to qualify. Our pilots and guidelines were designed to help a certain population by trying to find ways to give them benefits outside of our normal operating procedures

(ie: a higher reimbursement rate or flexibility with their retention periods or lower or higher wages etc.). They were written in a way to be incentivizing to contractors so they would involve these populations in their contracts. So one item that was added to Guidelines in the past was this lowered full time hours requirement. However, we have recently been moving away from allowing this lowered full time hours – which you will see later today that the lowered full time hours has been removed from the Ex-Offender/At-Risk Youth Guidelines.

Committee questioned if the change in veteran numbers (from proposal time to the end of the contract) could be the fact that if they are a veteran it is self-selected and that is why we are seeing contracts come in with a higher number thinking they are going to hire that many and when they pull the demographics, they are not selecting as a veteran.

Policy manager answered it is part of it, the way they identify themselves as a veteran is on the enrollment form. But if the contractor is desiring a higher reimbursement rate of the higher support costs they have to actually create a veterans only job number (and put the veterans into it). Contractors are just choosing not to use the veteran job number so they are not getting the higher reimbursement rate or support costs and are just identifying the veteran on the enrollment forms. Or the contractors may be submitting revision requests over the course of the contract that could be changing the populations and making them overestimate in the beginning.

Committee asked if we are asking if they are active duty and or veteran during enrollment.

Counsel explained that about two years ago there was a law that changed it specifically because people would not identify themselves if they thought of it in terms of combat. We made some changes in language and are in compliance.

Public Comment was requested on this issue.

There was no public comment raised.

Committee was in agreement with the proposed changes.

This will be brought back to committee in April as an action item for their review.

B. MEC Proposals Comprehensive Review

Requests came from Panel members to begin a comprehensive review of the MEC proposals focused on improving the quality and content of the information that they received. Accurate and current information is necessary for Panel to make informed decisions and this review will help to collect the necessary information. This will be a multiple meeting discussion. The presentation covered areas such as: clarity of union support status; clarity on MEC's relationship to PEs; clarity in curriculum; general clarity of proposals; accuracy in trainee data; accuracy in other figures/elements of the proposals; identification of training vendors; and the Single with Affiliates contractor category.

Committee feedback

Committee decided to go through the list and start the discussion with items 1-5 and see if there were things that they wanted to add or questions that need to be answered. A comment was

made that from time to time the MEC's appear to use ETP funding for survival, just to stay in business (returning to receive more funds). Some delineation from one contract to the next when they look the same is needed.

Starting with number 1 on the list, clarity of Union support. Two things, do we identify union jobs separately from the other jobs in the wage table? Do we separate the union from the non-union?

Staff reply was no we do not.

Committee mentioned that we do it for the single employer we should for consistency do it for the MEC. If the MEC adds an employer after contract that is a union are we checking at some point to see if we have a letter of union support?

Assistant Director Cooper stated that there have been a number of proposals where the union letter is quite old. So the date time frame should be looked at.

Policy manager explained that the union letter needs to be project specific. The support letter needs to explain what trainees they are training and what they are going to train them on, when they notify the union. So the union can concur or not. Sometimes the dates we see maybe lagging, when the application came in vs comes to Panel.

Committee agreed that we need consistency. The single employers identify it as a union and how many are represented and how many employees are in the wages. Wage progression is important and that is not something that is seen in the MEC, especially with the repeat contractors. There is no demonstration of wage progression.

Moving on to number 2 on the list, clarity on the MEC relationship with their participating employers. It was mentioned that seeing how many of the participating employers are repeat participating employers with that MEC. And also if they are in any other contracts as well. If you read through the summaries you see the same employers in multiple MEC's. It is important to know if they are repeat and helps with consistency.

Committee on clarity with participating employers, have they been trained in consecutive contracts? This also relates to the level of demand and to the curriculum as well. A process in place where the demand and the specific skills from the employee were listed. It would be nice to see an overview of their analysis of how they determine the curriculum list and how it meet the needs of the individuals in those companies. Agreement was given that this would really connect the curriculum to the employer and the workers. Geographic area and why participating employers that are outside the MEC entity area are being included. What is the value of that and being able to have a narrative if that is occurring. An example is the Chamber so Commerce's of that county or the Community Colleges of that county or that city. This comes into play when you are asking about adjustments in wages and if they are delivering training virtually to people in different parts of the state.

Number 3, curriculum wish list item would be to measure the ROI and certifications (are they really learning anything?). The question with the single employer regarding turnover if in the double digits perhaps this should be questioned in the MEC's. This would allow us to know if they are actually being retained. It is important to know that the worker has something like a certification that they can take with them and use. The information might be in the narrative but

not in the curriculum list. This allow the employee to show pride in accomplishment.

Repeat training, number 5, in the single employer contract we see that the contract is going to focus on XY and Z whereas in prior contracts the focus was on ABC. We don't see that in a MEC at all, but we may see the same employers coming in. It would be nice to see that language in the MEC's actual proposal. The MEC is vague on what training is being delivered, there is a lot of copy paste going on. If we could at least see, company A received training with the MEC in 2020 and is now coming back in a MEC contract with the same MEC provide for a change in example the ERP process.

Director Grimes asked when talking about differentiating whether the trainees are in consecutive contracts, ostensible there could be many certificates or some sort of tech program, so they could be in multiple contracts. Is there just a concern in general about seeing maybe trainees being in consecutive contracts or just what the explanation if they are in a consecutive contract?

Committee explained that there can be no duplicate employees in multiple contracts simultaneously because of the concurrent enrollment prohibition, but they have sequential contracts and sequential ones and they should not be receiving the same training. It feels like boilerplate language that goes in the single employer contract but we don't even see that in a MEC. If the MEC proposal has listed out a variety of different participating employers and it could be all kinds of different industries. You wonder what the connection between them is. The employees being trained are showing as 5-5-5-5 for every single one of them, which is a red flag. Do they really understand the connection with the participating employer and their needs? Or are you backing into a contract and then the amount? The grayness of the curriculum list for a wide variety of occupations within the MEC should be more customized list. So, would like to see the curriculum per occupation or industry string vs a multitude of every course under the sun.

Gretchen Newsom had to leave the meeting at 1:57 p.m. She noted as she left that she gives full support to the recommended changes in the Ex-Offender action item on the agenda for later on today.

Number 6, accuracy, it would be helpful if the 130 is reviewed and updated prior to Panel.

Number 7, training vendors, this is often left blank. If the MEC is providing training a training vendor would not be expected but if the MEC is subcontracting it should be identified. What we are seeing with amendments at this time is that we need to add an out-of-state vendor because we are realizing there is no one who can do this training for us when they are 10 months into the contract. Where is the funding going? Are you helping businesses get trained or are you actually delivering the training yourself? A box on the application to attest that they are providing 100% of the training and if not then list who is.

Number 8, affiliates, some applications have come in from multiple areas of one organization, for example, they have different CEAN numbers. Should we be handling them more as a group of employers at the MEC vs. letting them have four or five single employer contracts?

Policy manager explained that basically, yes, not just when there is one company that has multiple branches with different CEAN's but also when companies that are co-owned or maybe they look like they are not related somehow but they are coming together in one contract. It could

be something like hospitals, when there are multiple hospitals that are all incorporated separately for liability purposes but they are coming together for one contract. We do get requests to come in as a single with an affiliate. Should they be processed as a group of employers instead of single with affiliates?

Staff Counsel pointed out that there is one issue that comes up and that is the contract, because there is only one entity that executes the contract. So we have a contract that says the parties are this and that. Then there's something about affiliates, but they don't actually execute the contract. They are part of the process of enforceability as to those entities.

Committee asked what the definition of an entity is.

Staff Counsel explained that we have been looking at it as a kind of business associations. If it's a sole proprietor, we're looking at the SSN that sort of thing like a proprietor is a partnership, limited partnership, corporation liability. We lean into the Secretary of State. That is this issue because sometimes you'll have Cisco as San Francisco a separate instance its own entity holding its own contract, has its own profit loss, its own distinct financial. In addition to that there's Cisco like Sacramento these are two entities and it looks like they are not but they are two separate, distinct entities. If one was to be sued, there would only be one defendant.

Committee suggested they come back again to number 8 on the list for a more in depth conversation.

Public comment was requested on this issue

Nathan Daily with CMTA explained that they do a lot of MECs but do not provide any training themselves. Their client companies decide who they want to train either internally or through outsiders. So in Number 2-repeat participants when it comes to the proposals on the 130 forms are our previous clients who've been in our previous MEC who've said they want to continuing training. We always have to tell them there is a gap period of three months where you are not going to get any credit for the training you are doing. They are always training all the time anyway. One of the great advantages of the MEC is that they don't have to wait three to six months to start training a year from now. We can go ahead and recruit other client companies, mostly manufacturers for the most part they are training right now, start sending me the training data. So you don't have to wait three to six months to see any reimbursement, whatever training they are doing is at their company's expense. ETP does not reimburse at 100% of what they are spending anyway. So there are cases certainly that are ongoing reoccurring training where any company who has trained their employees one year, maybe will do a similar training the next year to keep them competent and current in whatever their certifications are.

Michelle Rychener with Training Funding Partners wanted to reiterate what was said. When we put a MEC together you are working with a certain group of people, but when you are recruiting, those people change. So you could entirely change the folks that were committed upfront and then the needs changes. So there always has to be a relationship there because you have to build that relationship with the employer to come in. That's where the amendments come in to play, you have to move money between job groups because you may have a bunch of hospitals that decide not. So the amendments are really critical for a MEC, 2/3 of the way through the contract if you are having new people come in that weren't anticipated. Training vendors again, you don't always know what vendor you are going to bring forward because the people change

so that's a blank area.

John Fox from San Bernardino Community College District wanted to comment on item 2, which is the relationship between the MEC and the participating employers. He agreed with some of what had been said. There is an element of change that happens over the course of two years or more from the time an application is submitted and the time training actually happens. So there may be participating employers who weren't in the original application who come along and vice versa. Our practice is that we get the certification statement filled out and we base the numbers that we put on the 100B on what's on the certification statement. Yes, we recruit many of the same employers and we see some of the same people, but to a point that was made earlier it often times a step forward in their training. So perhaps they took intermediate Excel and now want advanced etc. We are always recruiting and working to bring in new employers as well. So an estimate would probably be about 60% repeat and 40% new contract over contract. Regarding repeat trainee's again same thing as repeat employers. We do communicate with employers that they are not supposed to take the same exact training again they are supposed to be progressing. Regarding accuracy and wages, that is one of the hardest ones as a MEC to estimate because we are working with 60 to 80 different employers. Every employer has a different wage scale, and different progression that they work with. That's where guesswork comes in as far as how many people are going to be in which occupations at which wage levels. We are very strict on holding the employers to the wage requirement in the contract. We do most of the training ourselves, but there are situation where we might bring in a vendor if there is a particular topic asked for that we don't have.

Nathan Daily with CMTA commented that they do ask for the wages up front when they are doing the initial enrollment and if the wage are too low they do not enroll them. They do ask the employer their pay raise in the last year and enroll them with the new wages so basically the progression gets buried. They do ask for updated wage information and updated termination dates. Even telling if there has been wage progression can sometimes be difficult if they are not getting the full participation from their HR department.

Rocio Leon from CMTC explained that they are part of the manufacturing extension partnership system. They are a MEP with a MEC and as part of the system, they are required to serve small manufacturers. 70% of manufacturers in California actually over the nation have under 20 or fewer employees and 90% have 100 or less. These are the companies they serve. If they are doing training, its because it is something that is important to keep them going, to maintain their business or create new opportunities. ETP's flexibility is critical. So yes, we are giving you a generic curriculum. We go to a specific employer and customize to their needs. We would be happy to work with you to go into specifics in the curriculum. Accuracy on the wages and wage progression, they would argue ETP has the information in their own system. We are required when we enroll an individual to populate their starting wage and their ending wage. When we get a certification statement from a company this is going to the union issue, having the union letter is an easy fix. When they submit a certification statement they have to check off the question of whether the company is union or not. She is shocked that the system approves the CS without the union letter and if the company does not have a valid NAICS code.

Director Grimes asked that it be kept in mind that this is the initial conversation and it is a multi-faceted issue with a lot of nuance to it. As such keep in mind some of the things I'm hearing in one is that employer customized training is really important to hollow out. It is also named in our enabling legislation in Section 10200. Which is important and what does that balance look like

in terms of the precision of the curriculum but also how we serve a lot of different employers. We've heard some that are actually small businesses of 20 or less. But having that in the frame of reference as we talk about this. The very deliberate use of the proposal allows for that flexibility or do the best of the knowledge of those who are, preparing that is what the current state looks like. But there is some dynamism that sometimes can't necessarily know. So how do we create a system where we are honoring that, but yet allow for some inbuilt flexibility for those pieces that sometimes are out of their control?

Committee agreed but there is also structure around it. It would be interesting to know the data on how many employers were listed on the MEC and how many came out of that MEC. So if we went in with 10 but actually trained 30 or came in with 30 and trained 10. Just to get an idea as to how accurate the forms are coming in. If they are not accurate why are we doing it? Because I think that is what's at hand around curriculum, around employers, repeat employers, all of these things that there are what people don't like. A way of demystifying that fluidity with a bit of data. That would give a better understanding to the environmental factors that are influencing how the MEC application is written and executed.

Policy manager mentioned that she thinks that some of the data could be by not just comparing the demand list to what participating employers were there at the end but also by looking at what revisions were asked for during the course of the contract.

Alistair Routing from Butte College wanted to concur with the previous statement but asked if Cal-E-Force could keep pace. Administratively it is an extremely time consuming process from the application through to the management delivery for both the MEC and the participating employers. So the more changes that are tracked in the system, I think the easier for staff to keep pace with any requests and for there to be better visibility and timely transparency into the status of everything from any application up to the delivery.

C. Contract Revision Process

Requests were received from Panel members to go over ETP's revision process. By this we mean when contractors request changes to their current executed contracts. We have a regulation 22 CCR 4445 that deals with contract performance and amendments. The regulation allows for contracts to be revised and provides some basic parameters for that process. Most revisions have been handled in house. The exception is when there is a request for additional funds, this comes before Panel. Panel request was to learn more about what kinds of revisions come in and the process itself. The main goals for today are to get some feedback from the committee members on which types of revisions they would like to see come before Panel versus which one should be processed in house.

All sorts of requests come in from tiny changes up to huge changes. (A list of some changes was given). The general procedure for a revision request is basically; the request comes in to the field office, they determine if it should go before Panel and if the revision is possible. They review the justifications for the request. If it should go before Panel they prepare the Panel proposal. They prepare the other revision documents for review and in house approval by the executive director or a manager depending on the revision type. The field office and contract review unit finalize the changes. There is no action item today. We would just like to know what you would like to see go to Panel.

Committee feedback

Committee commented that there are some things like the liability, changing the funding categories, changing retention, changing the health benefits some of these seem they are more substantial than just changes a word or something.

Director Grimes explained that Regulation 4445 does say contract performance and Amendments be considered, and elements of past performance for contractors in order for Panel to be able to make decision. But will defer to legal team in terms of what that look like.

Assistant Director/Chief Counsel explained that some of the more legal terms would be better handled in house by the legal team. Ideally we do not want to slow things down at Panel when there are things that could be handled in house. Looking at the list we should probably go through and define some of the terms. If you have questions about some of those terms, and if there are things you want explained.

Committee said that it sounded like a decision tree. For example, comes to staff, see it liability legal issue go to whoever and then comes back internally. So there is a clear process for some of them. Just as a clarification how frequent are these revisions?

Project manager explained that roughly about half of our contracts have revisions, some have more than one. Data could be pulled for the next meeting if committee would like more specifics.

Committee said that would be useful. If the revision is affecting the root of the contract, so we are agreeing to this much funding, to this many people, to these occupations to these wages. If the revision is going to change how they perform or the structure of the contract then they should come to Panel. If there is a shifting of a few dollars or less significant impact to the contract terms then no. It's the language of how does it affect their overarching what they came to us with versus what they are changing to. A substantial change to the contract, the 130 kind of piece that we have to approve, like retention periods or wage modifications called out in the 130. It is about that foundation.

Staff Counsel expounded that there is this concept in competitive bidding in the state of California. You have a bid, you put a bid up for works and then there are change orders. And the concept is that there are so many changes so much that the word they like to use is material significance. From the original part, then it should be put out to rebid again. There are different metrics for that. One is the Green Book specifications, which is like one of the general standards. That's 25% and they look at the dollar amount. Reg and I used to look at it because ETP long ago had a document that outlined all of these changes and more. Outlined the flow, the process, what went to Panel, what didn't go to Panel, what was done internally, what wasn't. We departed from that and I do think that we should go back to that. How are we defining Panel? There also a delegated authority in our statute. There are certain things that are delegated to staff and people. I think that is what Kumani is talking about. Back to that framework that we had before that did exactly what Member Hill was suggesting. Maybe bring it back for consensus and have an agreement as to what Panel would like, what goes to Panel, what doesn't, what is internal, what's a 301 mod etcetera.

Committee agreed this was a good idea as Panel members that tree so we as Panel members who would make the general decision and have questions on that. Start with what the Panel

originally agreed to. Having an idea of what those changes look like

Public comment was requested on this issue

Dave T with Current Community College District he would suggest changes that potentially negatively impact the quality of the application. Say before you might have viewed that application differently or more negatively with the change. A lot of MEC changes are moving funds between job numbers because we may have lost or gained a different employer. This would be something to delegate to staff to approve. That is actually making the quality of the application even better than it initially was presented.

John Fox, San Bernardino Community College District commented that potentially a consideration that not everything on the list need to go through a full contract modification process. Some things could be simplified to lessen the burden on staff and expedite the changes. For instance changing the name of the primary contact on the contract or adding a particular item to the list of curriculum. Going back to the point of how important it is to customize curriculum, if a participating employer asks for something that did not happen to be on the list already then it is a full contract modification just to add that one item to be able to deliver for them. That might be something that could be a different process.

Michelle Rychener with training funding partners stated some of these are not modifications in Cal-E-Force. If Lis is going to bring back the data about changes that are made per contract it would be helpful to know what those are.

Rocio Leon with CMTTC commented that hopefully we are looking at if somebody needs to come before the Panel, it is because it is a substantive change. I would strongly suggest that if someone does need to come back before Panel for questions and issues they can do so as a Zoom participant.

VII. ACTION ITEMS

Ex-Offender at Risk Youth Guidelines

This is a continuation of the Pilots and Guidelines review. This is an action item bringing back the changes recommended from the December 2024 Committee meeting. The changes were as follows: general cleanup of small items, punctuation, grammar, etcetera; changed the name of the program to Justice-Involved/Opportunity Youth Guidelines in order to align with the wider labor agency terminology; changed what is considered to be full time work from 30 to 35 hours; changed so that all trainees will meet whichever wage is relevant to their population, rather than defaulting them all to the New Hire wage (standard ETP wages); and a note to give funding priority to all projects that have a Justice-Involved/Opportunity Youth component rather than limiting that priority to only those that had a pre-apprenticeship component.

Committee feedback

Committee asked if the proof of training eligibility documentation is stored in the Cal-E-Force system or separately. And if we are asking for proof, how do we substantiate that?

Policy manager stated that it is housed somewhere but not sure if it is Cal-E-Force.

Staff explained that when we enroll an individual in that job category it is just a normal enrollment, there is nothing special about it. There is no way to know systematically that they are actually Justice Involved individuals.

Director Grimes pointed out that on the Panel proposal there is a narrative where they can explain that they have that.

Committee asked what the self-identification is. Is it like we do with veterans? A check box? So we are not tracking any paperwork that shows they are. Or are we somewhat of an honor system there.

Staff commented that there are pieces of documentation that they can provide. Forms from their parole officers. With the Opportunity Youth because you have criteria such as homelessness, or previously involved or exposed taking activities is a little trickier.

Committee commented that the assumption is most of these applications are focused on that population rather than an employer who would probably not be asking their employees if they fall under one of these categories?

Staff explained that typically these are also going to be new hire projects where we are training them to place them into a department. So it's very rare that we are going to have a Justice Involved Opportunity Youth job number for a single employer. We almost always see these through multiple employer contracts that target those populations as part of their normal services to their communities. Those folks are already serving these types of individuals, they have that documented paperwork. They usually bringing in other funds because we don't pay supportive services, so they are asking for a different funding stream to pay for interview clothes or bus passes those kind of things.

Director Grimes recalled that in the December Panel packet there was a proposal that was approved for Opportunity Junction that does have the narrative piece of that in addition to the eligibility side, there's that vetting to make sure that we are actually conducting outreach to that.

Public comment was requested on this issue

Nathan Daily with CMTA shared that with Justice Involved for their MECs they have a specific library set aside for Justice Involved Individuals. That money is set aside for one specific company it's a non-profit called Rise Up Industries. They recruit right out of prisons to train them on machine skills, lathe, etcetera and they actually employ them while training them. So they are employed by this organization and getting trained with productive lab and after a couple of years the organization help get them placed with other companies. So regarding the wages because they are non-profit. They do pay low wages, unfortunately. So raising the wages up to whatever normal retrainee wage group would be would almost virtually x them out of getting any reimbursement out of this program. Some of the people that have been in the training for a while and get placed with other companies. It is possible to get some reimbursement through that special review in terms of Rise Up Industries. Hopefully the wages are high enough at that point.

Committee asked what the new hire wages are.

Nathan Daily said that the new hire wage is like \$17 or 17.50 under the new chart. Whereas the

regular retraining wage is going to be he thinks \$23.67

Staff said yes, Nathan is right. So the new hire wage currently for the Bay Area hovers around \$21.42, that is the highest, the lowest is \$19.27 as compared to the retraining wage in the Bay Area, which is \$25.70 and goes down to \$23.56. So about a \$4 jump in the wages for this population if you hold them to the retraining wages.

Committee commented the challenge is these are often unskilled workers. Cutting the retraining wage could cause significant barriers versus the new hire wage. Not sure what made us want to switch in December.

Policy manager reminded all that we did not have our two new committee members in December. The comments about the 30 and 35 hour work week and the wage differences were that we didn't want to penalize at risk populations by not having them be paid the same as everyone else and by them have less hours a week they wouldn't qualify for benefits. Gretchen felt very strongly about these two items.

Committee expressed that while it is important to ensure benefits, the challenge is whether or not the reality of whether they could actually hit the retraining wage when they often come in as an entry level workers. Do we know what the wages are on the Opportunity Junction? While it would be preferable to have the retraining wage. If it is going to close out all of these applications then the change will make it null and void.

Policy manager offered to run the data and bring it back to the next meeting.

Committee wondered if it would be worth the data to run just to see if this change is going to close the door to all these funding opportunities which are important to fund. But asked that the data be run so the conversation could continue.

Policy manager will bring to April meeting the data on what the actual wages that were paid to these people. Not what was in the proposal but what they were actually paid in retention. Then it will be a discussion item in April to discuss and make further changes.

Committee decided to table this until April Policy Committee.

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

No comments

IX. PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

Phil Herrera to speak about the Coalition for ETP and Jobs. This is an organization that Steve Duscha started a while ago and initially was to do advocacy to the legislature to protect ETP's budget and what it stands for. He will give testimony tomorrow at the Panel meeting with some good news and some challenging news. They are doing a good job with advocacy and have had more interest in joining the coalition, so they have created essentially a policy subcommittee and will come to the podium representing their own constituency. Hopefully you in the background come with consensus on recommendations to the Panel, the recommendation will be in

collaboration and uplifting. No dirty laundry. He sent out a request to all the members to give their top issues they would like to discuss with Panel.

Assistant Director/Chief Counsel clarified that they would be coming to Policy Committee not Panel.

Phil Herrera stated yes to Policy Committee. He handed out a list of items from the coalition members who are people that have been doing ETP consulting for decades. He thinks this will be very valuable.

Rosa Hernandez, job consultant with job training and Opportunity Junction, comment regarding the ex-offender at risk youth new guidelines, what she didn't see in the new guidelines was a reflection of new hires, multiple barriers that were included in the previous guidelines. Will they be included in future guidelines?

Project manager explained that the justice involved opportunity youth guidelines are actually derived out of the multiple barrier language that is in our legislation and regs. This is an expansion of that language. So, they are technically already a subset of that. So future funding under opportunity youth guidelines is with the understanding that there could be multiple barriers.

Larry Mandell wanted to address the ability or inability to change NAICS codes for a contractor or a PE. ETP says to contact EDD, they provide a fax number which does not work. The phone calls are not returned, making this change almost impossible. He has also pointed out that while the NAICS code refers to a small portion of the work that this company does. Is anything being done at staff level to make it easier for a contract to get a change within EDD?

Director Grimes thanked him for raising that concern and stated that ETP's executive leadership teams has been apprised of the situation and are working on solutions. EDD being a separate with our own locus of control, we are looking at to see how we can leverage our relationship with EDD. This is a priority item that is being addressed.

Carlos Amador, Vanessa Bransburg, Denae Joseph, Edgar Ortiz, Pedro Ramirez and Jose Flores all called requesting \$50,000 set aside for SEED.

IX. MEETING ADJOURNMENT

ACTION: Member Mike Hill moved and Member Jennifer Fogthergill seconded the motion to adjourn. All Policy Committee Members present voted in the affirmative.

Motion carried, 3 to 0.

Acting Chair Bettencourt adjourned the meeting at 3:57 p.m.



Employment Training Panel

Memorandum

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

Date: April 24, 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.

Committee began this discussion at the February 2025 Committee meeting. There was a long discussion on items ranging from the MEC's relationship to their Participating Employers (PEs), to the way union letters are handled, through affiliates, and even curriculum development. Following is a continuation of the discussion that we began at the February meeting.

II. Background Information:

ETP staff recognize that the list of issues that were discussed at the February meeting was lengthy, and that many of the items discussed are large items requiring separate discussion at Committee. For example, the way ETP handles Single Employers with

Affiliates, and whether or not this contractor type can be handled as a more traditional “Group of Employers”, is a large discussion which deserves its own agenda placement. Similarly, ETP staff recognize as well that it will require a team effort involving both ETP staff and stakeholders to ensure they are processing applications with all of the due diligence and attention to detail and care that they deserve.

For our discussion today, staff would like to focus on a more practical and pragmatic approach to addressing Panel and Committee member concerns regarding MEC proposals, specifically in three areas:

- The MEC’s relationship to their Participating Employers;
- How repeat MEC projects differ from previous projects;
- How the MEC training plans are developed.

We anticipate that today’s discussion will be both educational and productive, as we discuss how MECs operate generally, with the knowledge that different types of MECs operate in different ways, and with an eye towards crafting some options for how to obtain this information on our applications and how to present it within our proposals.

To kick off this discussion, here are some questions we may consider:

- 1) What does a typical MEC business model look like? Do industry focused MECs work in a different way than non-profit training agencies in regards to PE recruitment and curriculum development, for example?
- 2) How do MECs recruit their PEs? Do they use the same PEs in every contract, or do they find new PE populations for each contract? Where and how do they recruit PEs? What is the PE recruitment process?
- 3) How do MECs develop their curriculum for each ETP contract? Do they have a set curriculum that they offer, or do they develop the curriculum in partnership with their PEs?
- 4) Do MECs typically have a proposal connected to actual training requests from their PEs, or are the proposals crafted more generally, and why?
- 5) How do MECs determine the demand for their services in order to know how much to realistically request on their proposals? Are the “100 B” Demand Lists accurate?

Staff expects that we will be able to draft some additional questions to include within MEC applications, and to be represented in Panel Proposals, as a result of our discussion today. These questions will hopefully help describe in more detail how the MECs relate with their PEs in regards to PE recruitment and curriculum development, how demand is calculated, and how repeat contracts are unique from prior contracts. Having this information readily available will hopefully help to alleviate some of the concerns that have been raised by Panel members recently, and will help our applications and proposals to be strong and accurate depictions of the great work being done within the ETP universe.

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: April 24, 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.

Today marks the second installment in our discussion. At the February 2025 Committee meeting, we discussed ETP's regulation, 22 CCR 4445 Contract Performance and Amendments, the general process currently used for processing revisions, and a basic listing of the types of revision requests we receive. Today we would like to further this discussion by providing some data on the amount and types of revisions we receive, and also to propose a method for which to improve our revision processing procedures.

II. Background Information:

As a general reminder, 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.

Data collected on revision requests received in FY 22/23 and FY 22/24 shows the following:

- FY 22/23: 336 contracts; 495 revisions requested
- FY 23/24: 313 contracts; 310 revisions requested

Also as a general reminder, ETP's current revision process is as follows:

- Contractor requests revision;
- ETP staff review revision, determine if the revision is possible, determine if the revision needs to be approved in-house or at Panel, and prepare the revision;
- Revision is approved or denied; contract and related items are updated.

Staff would like to propose two alternatives to our current revision processing procedures, both of which use the Executive Director's delegated authority as a 'trigger'. ETP's legislation, Unemployment Insurance Code section 10209(d) states: "The panel may delegate to the executive director the authority to approve training contracts of up to one hundred thousand dollars (\$100,000), provided the contracts meet the requirements of this chapter and the policies established by the panel, and provided that the panel regularly reviews the actions taken by the executive director pursuant to this subdivision." Our current delegated authority amount is \$75,000.

- 1) Use the delegated authority amount as the threshold to determine which revisions should go before Panel. Revisions for a dollar amount above the delegated dollar amount will go before Panel for approval. Revisions for a dollar amount below the delegated dollar amount will go to the Executive Director for approval. By dollar amount, we mean both funding increase requests, as well as requests that change that dollar amount 'distribution' (e.g.: by moving funds between job numbers); or,
- 2) Similarly use the delegated dollar amount as the threshold to determine which revisions should go before Panel, with the added distinction that revision requests that are below the delegated authority dollar amount, but which constitute a 'material

change' to the contract will also be sent to Panel for approval. This approach will require us to also define 'material change' (see below).

- 3) Additionally, whether choosing option 1 or 2, the Executive Director would also reserve the right to decide to send any revision request that falls below the delegated authority amount to Panel for approval, should they determine that need. This need may be due to the revision request being a potential material change, for example.

To define 'material change' – staff recommends the following two-part definition:

A "material change" is a revision request which substantially alters the original contract by:

- 1) Creating a change of 20% or more in any of the following:
 - a. Number of trainees in a contract;
 - b. Amount of training hours in a contract;
 - c. Change in the make-up of job numbers (e.g.: 20% of funds moved from one job number to another; 20% of trainees changed in job number; 20% of hours changed in job number); OR,
- 2) Revision requests that significantly alter the conditions of the contract, including, but not limited to:
 - a. Funding increases above the delegated authority amount;
 - b. Deleting/Adding job numbers;
 - c. Deleting/Adding delivery methods;
 - d. Deleting/Adding training types;
 - e. Deleting/Adding occupations;
 - f. Transferring liability to a non-related entity (NOTE: this does not refer to a name change, such as when ABC Co becomes ABC Co., Inc.; nor does it refer to actual assumptions of liability where there is a successor entity, as defined within ETP contracts);
 - g. Decreasing minimum required wage amounts;
 - h. Adding the need to use Health Benefits to meet minimum required wages;
 - i. Removing union affiliated trainees;
 - j. Requesting out-of-state training;
 - k. Requesting out-of-state training vendors;
 - l. Contract term date change requests;
 - m. Increasing incidental placement caps;
 - n. Allowing turnover rates above the ETP threshold;
 - o. Add or delete funding codes (e.g. add or delete SET on a contract);
 - p. Certain contract language changes (need for Panel approval to be determined by ED discretion)

Examples of revision requests that do not constitute material changes include, but are not limited to:

- a. Funding increases below the delegated authority amount;
- b. Adding LMSs;
- c. Requesting alternate record-keeping methods;
- d. Name changes;
- e. Assumptions of liability;
- f. Adding courses to existing curriculum;
- g. Increasing wages;
- h. Changing contact information;
- i. Adding or changing in-state training vendors

Staff's hope is that by using this Delegation Order/Material Change threshold to determine how revisions are processed, that Panel will be able to obtain a clearer picture of what happens over the course of ETP contract terms, while maintaining their discretion to maintain projects they have previously approved; and while still allowing the more simple, less drastic revision requests to be processed quickly and efficiently. Additionally, this schema is fairly clear and simple in design – every change coming in over the delegated authority amount or with a material change will go before Panel; everything else will be approved by the Executive Director, who also reserves the right to send other revision requests to Panel if that need is determined.

III. Recommendation:

No action items beyond soliciting and receiving any feedback from the Policy Committee, contractors, stakeholders, and the public concerning this topic. Staff is especially interested in which approach Committee prefers – using only the delegated authority amount or the delegated authority amount plus the material change schema; and if you have any changes to make to the material change definition. Next steps will include a review of any changes that will be needed within ETP's systems (ie: CEF), templates (ie: Contract Language adjustments), and procedural manuals, once the desired approach has been decided upon.



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
Action Item for Policy Committee Re: Veterans Guidelines

Date: April 24, 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). At the February 2025 Policy Committee meeting, Committee reviewed Veterans Guidelines, which provide information for providing support and including this population within ETP contracts.

This presentation will review the changes to the Veterans Guidelines that were discussed at the February 2025 Committee meeting.

II. Background Information:

The discussion from the February 2025 Committee meeting resulted in the following recommendations for the Veterans Guidelines:

- 1) To perform a general clean-up of the guidelines for small items such as punctuation, grammar, etc.;
- 2) Removing all references to the Retrainee Job Creation Program, which has been discontinued;
- 3) Ensuring all references to ETP contacts, forms, and other references are correct;

4) Giving funding priority to projects with Veterans component;

A draft version of the Veterans 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 Veterans Guidelines and to move the revised Guidelines to the full Panel for approval.



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 who were hired as full-time employees of the contractor by the start of retention. Veteran training has since been incorporated fully 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.
- **Funding Priority:** All projects with a Veterans component shall receive funding priority.
- **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 these guidelines, 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 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.
 - 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 identified with a 'tag' during enrollment within ETP's online system.

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 a MEC with Veterans and other trainees, Veterans must be enrolled in a Veteran's Job Number in order to qualify 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.)
- **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

Veterans Guidelines

- 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:
Phone: (916)737-4181
Email: connect@etp.ca.gov



Employment Training Panel

Memorandum

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

Date: April 24, 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 to and including these populations within ETP contracts. Then, at the February 2025 Policy Committee meeting, Committee heard additional public comment on this item which necessitated some further research into the wages being paid to this population.

This presentation will review the data Committee had requested on the wages for this trainee population, and will also quickly 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 is 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.

At the February 2025 Committee meeting, public comment was raised regarding the wage requirements for this population. As a result of these comments, Committee requested additional data on the wages actually paid to the trainees in the Justice-Involved/Opportunity Youth program on ETP contracts in recent years.

The data shows that from FY 19/20 through FY 22/23:

- 9 contracts had a Justice-Involved/Opportunity Youth component;
- All 9 contracts were repeat contractors;
- 8 contracts were MECs;
- 1 contract was a JATC;
- A total of 208 trainees have participated in this time period.

Regarding the wages paid to these trainees:

FY	ETP HUA Wage	ETP New Hire Wage	ETP Retrainee Wage	Jl/OY Average Wage	Jl/OY Wage Range
FY 19/20	\$13 - \$15	\$15 - \$16.67	\$18.34 - \$20	\$18.83	\$13 - \$44
FY 20/21	\$14 - \$15.65	\$15.65 - \$17.39	\$19.12 - \$20.86	\$21.41	\$17.50 - \$35
FY 21/22	\$15 - \$17.64	\$17.64 - \$19.61	\$21.57 - \$23.53	\$17.23	\$15.65 - \$18.25
FY 22/23	\$15.50 - \$18.84	\$18.54 - \$20.60	\$22.66 - \$24.72	\$24.95	\$17 - \$47.84

This table shows that:

- For all years except for FY 21/22, that the average Jl/OY wage actually paid to trainees is within the retrainee wages or above;
- For FY 21/22, the average Jl/OY wage actually paid to trainees was within the HUA wage range;

- For all years except for FY 21/22, the higher end of the wages actually paid to trainees was quite high;
- For all years, the lower end of the wages actually paid to trainees was quite low – with the lower end of the wage range needing the HUA wages in order to qualify most years.

Given this information, staff recommends potentially holding the Justice-Involved/Opportunity Youth required wage to the New Hire and HUA wage levels. While the average and upper ends of the wages actually paid to these trainees is at a higher level than the New Hire or HUA wages require, the trainees being paid at the lower end of the wage range need the lower wage requirements in order to participate in this program – which serves as a vital bridge for a vulnerable population, assisting them in moving into higher paid, higher skilled jobs.

A draft version of the Justice-Involved/Opportunity Youth Guidelines, with the above changes incorporated, are included in your meeting materials for today. Regarding wages, the draft Guidelines currently show that standard wage requirements apply.

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. Please include in your motion a statement regarding which wages will be required for these guidelines. This information will be included in the draft which will go to Panel for full approval. As a reminder, the potential wage options are to: 1) hold all JI/OY trainees to the lower New Hire and HUA wages; or, 2) hold all JI/OY trainees to whichever wage range they would normally fall into, and not hold them to the lowered wage requirements.



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%.