



Guidelines for:

TEMPORARY- TO -PERMANENT

Original Effective: April 27, 2007

Revision History: 7/18/2025: removed references that the Regulations are incorrect. Allowing temp-to-perms in MECs. Updated payment/enrollment/tracking/retention rules. 04/08/16 Summary: These new guidelines incorporate the “Temporary Agency” provisions formerly published under *PEO and Payroll Company Guidelines*. And add new requirements and rules: Clarified reference to Temp-to-Perm model NOT being applicable to a MEC (Although CCR 4427 states otherwise); Added the fiscal review to verify the 180-day conversion period and only those hours are eligible for reimbursement.

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:

Temporary-to-Permanent guidelines were created under Title 22, California Code of Regulations Section 4427 as amended in September 2007. Section 4427 is shown in pertinent part below:

4427. Temporary Agency

(e) On a case-by-case basis, Temporary Workers may be trained so long as they are hired by a single employer under a single-employer contract, or by a participating employer under a multiple-employer contract, for purposes of full-time retention and related requirements. The Panel may approve this type of "temporary to permanent" hiring model based on the extent to which the training is designed to further overall goals and objectives of the ETP program.

[Note: Regulation Section 4427 also authorizes: 1) funding for the permanent *administrative* employees of a Temporary Agency, and 2) the *incidental placement* of New Hires with a Temporary Agency (up to 20% of total trainees). However, these two regulatory provisions are not part of the Temporary to Permanent guidelines.]

Overview:

Under these guidelines, the Panel may fund training for the employees of a Temporary Agency while they are working for a Single Employer Contractor, or for a Participating Employer in a MEC Contract, on a case-by-case basis. Trainees must be hired into full-time permanent positions prior to starting retention. Progress payments cannot begin until after the permanent hire date, and cannot be made while the trainee is still a temporary employee.

To earn ETP reimbursement for training of temporary workers, the temporary worker must be converted into a full-time permanent position prior to the final 90-days of the termination of the Contract/before starting retention. However, to ensure ETP funds are used to foster full-time employment, at the January 2016 Panel Meeting, the Panel voted to only reimburse a maximum of 180 days of training for temporary workers. This 180 day limit will be assessed by counting backwards from the permanent date of hire of the temp employee. All training within the 180 days will be reimbursed. Any training occurring before/outside of that 180 day limit will not be reimbursed. Temp employees must be permanent employees prior to starting their retention period.

Employer Eligibility: Standard eligibility requirements apply. For clarification: both Single Employers and MECs may include Temp-to-Perm trainees in their contracts.

Enrollment: Temp-to-perm trainees ***must*** be enrolled into a temp-to-perm only job number. Standard enrollment criteria apply. For clarification:

Trainees may be enrolled while a temporary employee, however, they ***must*** be enrolled under the employer CEAN of where they are temporarily working and will eventually convert to full-time permanent employment. Trainees shall not be enrolled under a temporary employer CEAN, “dummy” CEAN, or MEC’s CEAN. This ensures that the Contractor (if a MEC or a Lead Single Employer with Affiliates participating in their contract) has a working relationship with their participating employers.

Under the Temporary-to-Permanent guidelines, the date-of-hire as a full-time permanent worker will always be after training begins. If the permanent date-of-hire is prior to training, then the provisions of these guidelines are not required.

Temporary-to-Permanent trainees must therefore enter two hire dates: a temporary hire date (the date they begin working for the employer through the temp agency), and a permanent hire date (the date they are permanently hired by the employer). The temporary hire date must be entered at enrollment. The permanent hire date can be entered at any point during the contract.

Hours Tracking: Since the temporary trainee will be enrolled under their permanent employer’s CEAN, training hours can be tracked in ETP’s online system while the employee is still temporary. The Contractor should collect attendance rosters and keep its own records for temporary employee trainees as they do for their permanent employee trainees.

As noted above, training will only count if it occurred within the 180-day period before the trainee’s permanent hire date. The 180-day temporary period can be altered if Panel imposes a different temporary period when approving a contract (ie: a 90-day temporary period).

Progress Payments: Temp-to-perm employees ***cannot*** receive P1 or P2 until they have been hired permanently. They do not need to wait until retention has started or been completed in order to receive P1 and P2, but they must be permanent employees before any progress payments will be issued.

Fiscal Review: The Fiscal Unit will review each temp-to-perm trainee in temp-to-perm job numbers placement based on the contract's retention requirements.

Retention: Standard retention periods apply, as applicable. However, retention cannot begin until after the permanent date-of-hire by the Contractor.

Miscellaneous: Unless mentioned here, standard program requirements apply.