

Employment Training Panel



Strategic Plan 1998-2001

The Employment Training Panel

Thomas C. Ellick, Chairman

James L. Quillin, Vice Chairman

Ralph L. Franklin, Member

David A. Lattanzio, Member

Yvonne M. Nix-Everett, Member

Patricia Noyes, Member

Pat Williams, Member

Ruben H. Zuniga, Member

Gerald G. Geismar, Executive Director

James M. Bratt, Assistant Director

Dolores E. Mangine, Assistant Director

Peter G. DeMauro, General Counsel



Pete Wilson, Governor

July 1, 1998

On behalf of the Employment Training Panel (ETP), we are pleased to present this Strategic Plan for 1998 through 2001. After fifteen years of successfully supporting the California economy, the Panel forges into the new millennium as a proven economic development program. The Panel's strategic plan maps the way to its continuing success, collaborating with business, labor, and other public agencies in support of the California economy.

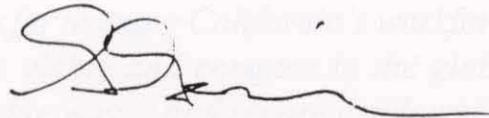
The next three years hold many exciting challenges as the Panel partners with the California Legislature and other program stakeholders to chart the future direction of the program and effectively target its resources. The Panel will continue to support the State's export base, particularly manufacturing and new and emerging industries. ETP will continue to serve California's small employers, and support the retention of welfare recipients as part of California's Welfare to Work program.

The Panel looks forward to continued program improvements. ETP will continually strive to make the program more "user friendly" by continuing its work with the Advisory Research Council and other user groups. Panel efforts will target contracting processes and procedures to increase contract success. The Panel will place special emphasis on reducing training fund disencumbrances by implementing a new system of incremental funding. The Panel will use the Internet to market the program and facilitate communication between ETP and contractors.

Focused on its mission, the Panel enthusiastically joins its customers and many partners to support the State's employers and workers in adapting to the rapidly changing global economy. ETP is ready to meet the challenges that lie ahead. Anticipating the growth of new and emerging industries, the Panel looks forward with an innovative eye for new opportunities to support the California economy.



Thomas C. Ellick
Chairman



Gerald G. Geismar
Executive Director

Vision Statement

The Panel will be recognized as a national model for industry specific training which provides excellent service to California businesses.

Mission Statement

The Employment Training Panel is a significant economic development tool for business attraction and business retention. ETP will work in partnership with business, labor, and government to provide funds for training California's workforce in the skills necessary for businesses to remain viable and compete in the global economy, while providing workers with reasonable wages and secure employment.

Table of Contents

Introduction	1
A Brief History	1
Support for the California Economy	1
Strive for Continuous Improvement	2
Plan for the Future	2
Revenue and Expenditures	3
Revenue and Expenditure Chart	3
Revenue	3
Expenditures	3
<i>Training</i>	3
<i>Marketing and Research</i>	4
<i>Program Administration</i>	4
Funding Priorities	5
Training Funds	5
<i>Economic Development</i>	5
<i>Special Employment Training</i>	6
<i>Welfare to Work</i>	7
Serving the Needs of Small Business	7
Marketing, Research, and Program Administration Funds	8
<i>Marketing</i>	8
<i>Research Studies</i>	9
<i>Program Administration</i>	10

Introduction

Last year, the Employment Training Panel (ETP) came under close scrutiny by many of its program stakeholders, including the California Legislature, regarding the funding of training for specific industries and workers. The Panel has been working closely with members of the Legislature to examine the program's intent and its future direction, resulting in pending legislation and changes to internal policies and procedures. Anticipating the future direction of the program, the Panel has prioritized the targeting of its available funding and developed the goals and objectives set forth in this Strategic Plan. All the while, the Panel has kept in mind the key to success over the next three years is to remain flexible while the program is fine tuned for the new millennium.

A Brief History

ETP, established in 1982, is a statewide economic development program which supports the California economy by ensuring employers have the trained workers they need to compete in the global economy. The Panel accomplishes its mission and performs its role as a statewide economic development partner by collaborating with business, labor, and other public entities to ensure the competitiveness of the State's businesses and their workers.

The Panel itself consists of eight members: The Governor appoints three members, while the Senate President Pro Tempore and the Speaker of the Assembly each appoint two members. The Secretary of the Trade and Commerce Agency, or his or her designee serves as an ex-officio voting member.

The Program's focus is primarily on providing funds to support the creation of high-wage, high-skill jobs and retraining workers for employers facing out-of-state competition. The Panel prides itself as California's only training program for incumbent workers.

A key feature of ETP since its inception is its 100 percent performance-based contracting requirement which ensures the training is tied to a job. Contractors only earn funds when a trainee completes all of the training and a subsequent employment retention period of at least 90 days in a training-related job. Since the program began, training has been funded for the employment and retention of over 280,000 California workers.

Support For The California Economy

The California economy continues to improve as the State's job growth continues to outpace the nation's, regaining the number of jobs lost between 1990 and 1994. State job growth has been spurred by employment gains in high technology, foreign trade, professional services, and entertainment and tourism — sectors expected to bring continued economic growth in the decade ahead. The State is a leader in many of the most promising global industry growth sectors of the 21st Century, and the outlook is for continued solid employment gains for the upcoming years. The State should continue to see growth in high-wage, high-technology industries, including motion pictures, computer systems and software. Much of this growth will be driven by the emerging multimedia and Internet-support industries — all of which are centered in California. Through ongoing skills improvement for workers, California industries maintain a leadership position in the global economy and create opportunities for workers to share in future economic growth.

Working with its economic development partners, ETP is strategically positioned to support the emerging industries and occupations of the future. Funds are targeted to support the State's export base, particularly manufacturing, leveraging funding from other sources, and ensuring the largest economic return for the training dollars invested. The Panel is also a key player on Team California and on Red Teams

— groups formed at the behest of the Governor to attract employers to California or to help retain businesses in the State.

The Panel plays a unique role in California's Welfare to Work activities with partners in the State's workforce preparation system by participating in initiatives to ensure the successful transition of welfare recipients to jobs. The Panel has been addressing some of the major barriers to gainful employment of former welfare recipients by funding training in skills to enable them to succeed and keep their jobs.

ETP supports the effort to build an improved workforce preparation system in California by participating in the implementation of the State "report card" system, through which common performance measures for California's workforce preparation programs are being developed and implemented. Initial reports are scheduled for publication in September 1998.

Strive For Continuous Improvement

The Panel continues to seek organizational excellence by improving the application process to significantly reduce agreement processing time; simplifying training documentation requirements; and implementing a number of small business initiatives.

The Panel will explore new and better ways to utilize its training funds for the most effective outcomes such as ongoing research; customer surveys; pilot projects to evaluate new processes; quality improvement teams (QITs); and continuous interaction with customers and program stakeholders; including the Advisory Research Council (ARC).

In addition, special emphasis is being placed on reducing training fund disencumbrances in fiscal year (FY) 1998/99. Taking a proactive approach, a new system of incremental funding will be implemented to enable contractors to better plan and manage training projects, while also reducing fund disencumbrances.

Plan for the Future

This Strategic Plan outlines ETP's goals and objectives over the next three fiscal years in its three budgeted areas: 1) Training; 2) Marketing and Research; and 3) Program Administration. Since this document is a one-year update of the Panel's "Three-Year Strategic Plan", the revenue and funding estimates described in this Plan relate only to FY 1998/99. However, the goals, objectives and performance measures identified in the Plan provide a basis for action plans which staff will develop to implement the updated Plan over the next three years.

In summary, the Panel is at the forefront of California's economic development and workforce preparation efforts and has a unique role as the State's only training program for incumbent workers. The Panel looks forward to fulfilling its mission by assisting California businesses and workers to successfully adapt to the rapidly changing global economy, as it works closely with its many partners in accomplishing the objectives set forth in this Plan.

Revenue & Expenditures

The Panel is supported by contributions to the Employment Training Fund (ETF). Each California employer with a positive tax rate in the Unemployment Insurance (UI) system contributes one-tenth of one percent (0.1%) of the wages subject to UI taxation to the ETF — which translates to an annual maximum of \$7 per covered employee. The chart below details the estimated revenues and planned expenditures for the fiscal year ending June 30, 1999 and each category is explained thereafter.

FY 98-99 Revenue & Expenditures

Revenue (Estimated)

Appropriation	\$75,611,000
Funds Reinvested	\$41,600,000 ¹
Funds Rolled Over	\$14,333,000 ²
Total	\$131,544,000

Expenditures (Planned)

Training	\$120,334,000
Marketing and Research	1,510,000
Program Administration	9,700,000
Total	\$131,544,000

¹ Prior year funds committed for training and employment retention which was not earned.

² Prior year Welfare to Work unspent funds.

Revenue (Estimated)

The California Legislature appropriates funding to the Panel annually in the Budget Act. This appropriation authorizes the Panel to make expenditures and incur obligations during the fiscal year for specified purposes. The appropriation includes current year funding from the ETF, and extends the availability of prior year funds which were not earned or were unspent to be reinvested in the current fiscal year. The total estimated revenue to the Panel for fiscal year 1998/99 is \$131,544,000.

Expenditures (Planned)

ETP funding is allocated into three categories for expenditures. Following is an explanation of the three expenditure categories. The goals and objectives pertaining to these categories are addressed later in this Plan.

Training

The Panel enters into contracts with California employers, groups of employers, training agencies, and/or Private Industry Councils for the purpose of

funding training and employment retention for unemployed workers; incumbent workers of companies locating to or expanding operations in California; and to maintain the viability of current businesses. In FY 1998/99, the primary role is to approve contracts under three categories of training: Economic Development, Special Employment Training (SET), and Welfare to Work.

Beginning FY 1998/99, the Panel will take a proactive approach to reduce the rate of training fund disencumbrances by encumbering training funds on an incremental basis. Specifically, for contracts exceeding \$250,000, a portion of the training funds will be initially encumbered, with the remainder to be encumbered in increments as the training project progresses.

Marketing and Research

Strategic marketing and research efforts are used to determine and target the best use of limited funds. These funds are prioritized for marketing, research, and evaluations conducted by external consultants under contract to the Panel. Examples of prior contracted marketing and research efforts include the funding of Trade and Commerce Agency (TCA) staff to assist in marketing the program; California State University, Northridge, for assessing the effectiveness of the ETP Program, including its impact on trainees and the California economy; and the University of California, Los Angeles, for determining the major factors leading to disencumbrances in training contracts.

Program Administration

The Panel administers the program on a state-wide basis to ensure it fulfills its mission in support of the California economy, and emphasizes continuous improvement in processes and customer service. Program operational costs support the contracting process which includes program marketing, eligibility and application review, contract development, contract review, monitoring and technical assistance, fiscal processes, and program audits. These activities are supplemented by the legal office, planning and research, information technology, and administrative support.

In administering the program, 128 equivalent full-time staff are employed statewide. Four regional offices in the State (San Diego, North Hollywood, San Mateo, and Sacramento) respond to local needs in contract development, monitoring and technical assistance. The Sacramento Development, Northern California Monitoring and Central Administration offices are housed in one location. The costs to administer the program are determined through the budgetary process and reviewed annually by the Department of Finance and the Legislature.

Funding Priorities

These next three years will be especially challenging as the Panel comes under close scrutiny by many of the program stakeholders. The Panel has been working closely with the California Legislature and other program stakeholders to examine the Program's intent and its future direction; and to prioritize the targeting of the Panel's available funding. Over the next three years, the Panel will:

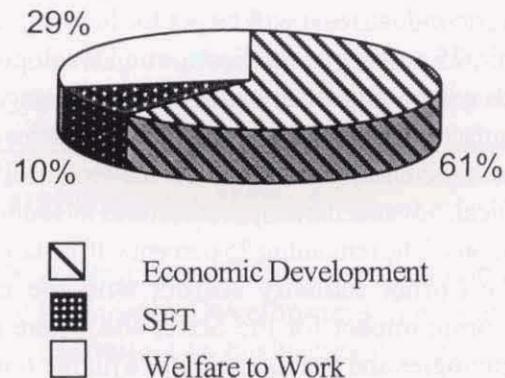
- ♦ Support the State's export base, particularly manufacturing and new and emerging industries, helping to ensure California employers have the trained workers they will need in an increasingly global economy;
- ♦ Support California's small employers;
- ♦ Support employers in the retention of welfare recipients as part of California's Welfare to Work program; and
- ♦ Continually improve processes to better meet the needs of California's employers.

Funds are divided into three specific categories: Training; Marketing and Research; and Program Administration. Specific goals and objectives for the next three years pertaining to these categories are provided below.

Training Funds

ETP targets its training funds primarily to support the State's export base, particularly manufacturing, leveraging funding from other sources and ensuring the largest economic return for the training dollars invested. The Panel has the discretion to allocate training funds into three categories: Economic Development, Special Employment Training (SET), and Welfare to Work. For fiscal year (FY) 1998/99, the Panel will target 61 percent of the \$120,334,000 in available training funds toward Economic Development; 10 percent toward the SET category; and 29 percent toward the State's Welfare to Work initiatives.

Fiscal Year 1998/99
\$120.3 Million



Training funds benefit two types of trainees: New-Hire trainees (unemployed workers) and Retrainees (incumbent workers). Employer demand for funding the retraining of currently employed workers has far outweighed the demand for the training and retention of unemployed workers since the inception of the program. This demand, coupled with the fact that ETP is the only source of funding for retraining in the State, accounts for the continuing trend toward the commitment of most funds to retraining. In the upcoming fiscal year, approximately 90 percent of training monies will be allocated for the retraining of incumbent workers and approximately 10 percent toward the training of unemployed workers.

Economic Development

In FY 1998/99, 61 percent of total training funds will be allocated to the Economic Development category. The objective of the Economic Development category is twofold. It funds training and employment retention for new and incumbent workers of companies relocating to or expanding operations in the State. It also maintains the viability of current business through training, particularly those challenged by out-of-state competition,

transitioning to a high-performance workplace or diversifying their products and services. To meet this objective, the Panel collaborates with its economic development partners in the State to leverage funds and ensure the maximum usage of its training dollars.

Last fiscal year, the Panel worked with California businesses and labor leaders, legislators, and other interested parties to reevaluate and prioritize the specific industries it will target for funding. As a result, 75 percent of the Economic Development funds will be targeted toward businesses engaged in manufacturing and new and emerging industries such as multimedia and entertainment, bio-technical/bio-medical, advanced transportation and telecommunications. The remaining 25 percent will be targeted toward other industry sectors with the most economic impact for the State, and where new technologies and products call for a highly trained and technologically proficient workforce.

Goal 1: Target training funds to business and industry to ensure maximum impact on the overall California economy.

Objective 1: Target at least 75 percent of training funds to businesses engaged in manufacturing and new and emerging industries with an impact on the California economy.

Objective 2: Target training funds to businesses deemed essential to support the State's economy and economic development activities.

The Panel will continue its participation on Team California¹ and Red Teams², efforts coordinated by the California Trade and Commerce Agency to help retain businesses in or relocate businesses to California. By funding projects resulting from these efforts, the Panel has assisted in keeping existing jobs

in the State and creating new ones. In recent years, the Panel has funded key projects for firms such as Genentech, McDonnell Douglas, Packard-Bell, Abbott Laboratories, and GEICO.

Objective 3: Help businesses adjust to the many technological changes occurring in the workplace by ensuring they have skilled workers to compete in an increasingly global marketplace.

The Panel plans to continue its support for businesses who retrain their workforce in order to compete in the global economy while adopting new technologies and implementing new production techniques. Emphasis will be placed on providing frontline workers with transferrable skills necessary to work in high-performance workplaces which emphasize employee empowerment, problem solving, and quality improvement.

Objective 4: Target businesses in the State's rural areas to help them remain competitive by ensuring their workers receive training in skills essential to the business.

The Panel will make it a priority to increase program participation in rural areas of the State. The Panel will define specific rural areas and market the Program to businesses in those areas.

Special Employment Training

The Panel will allocate 10 percent of its total training funds to the Special Employment Training (SET) category. SET allows the Panel to fund training for workers who do not meet the standard eligibility criteria under the economic development category. SET enables the Panel to fund training in six special categories: frontline workers in high-wage jobs; workers in new and emerging industries; persons affected by defense industry cutbacks and base closures; employment in fields with a deficit of trained employees and which have career advancement

¹Team California, managed by the Trade and Commerce Agency, involves a statewide network of economic development professionals, public and private-sector organizations, utilities, and other business and trade groups working together for business assistance, job creation, and the promotion of investment in California.

²Red Teams include state and local government agencies, economic development agencies, private companies, universities, regulatory boards and trade associations to develop incentives for businesses to expand and/or develop in California.

opportunities; small business entrepreneurs; and individuals with barriers to full-time employment.

Up to 20 percent of each year's available training funds are available for SET projects. However, based upon SET historical data and demand for funds in the Economic Development category, the Panel will target only 10 percent for SET funding in FY 1998/99.

Goal 1: Target training funds through SET training projects.

Objective 1: Target training funds toward the training of frontline workers in specified industries including construction, agriculture, retail, transportation, and auto repair.

Objective 2: Target training funds to companies in new industries and employment in fields with a deficit of trained employees and which have career advancement opportunities.

Welfare to Work

The Panel will allocate 29 percent of its total training funds to its Welfare to Work category. This includes \$20 million in newly appropriated Welfare to Work funds, and \$14.3 million in Welfare to Work funds which were unspent and rolled over from last fiscal year. Legislation effective January 1, 1998, changed the ETP program significantly by enabling it to fund Welfare to Work projects to provide training for employed workers who are receiving or have received CalWORKS (welfare) benefits. To address this new trainee population, ETP has been provided regulatory relief from its regular program criteria including those pertaining to wages and employment retention. The Program anticipates expanding its role in Welfare to Work if proposed state welfare reform legislation (SB 1434-Solis) is passed. This legislation would allow ETP to fund training to upgrade employed entry-level (non-welfare) workers, with a requirement that the vacated position be backfilled with an unemployed welfare recipient.

Goal 1: Participate in the State's Welfare to Work initiative to support welfare reform.

Objective 1: Target training funds for retraining of employed former and current welfare recipients to ensure their continued employment and future earnings.

Objective 2: Pending legislation, target a portion of available Welfare to Work funding toward upgrading current workers, thus creating employment opportunities to be filled with unemployed welfare recipients.

PERFORMANCE MEASURES

- ♦ A minimum of 75 percent of available Economic Development funds are committed to businesses engaged in manufacturing and new and emerging industries.
- ♦ Participation in collaborative efforts with other entities in the State's economic development and local workforce preparation programs.
- ♦ Training funds committed toward SET funding priority areas.
- ♦ Increase in training funds committed toward the Welfare to Work effort.
- ♦ Training of current and former welfare recipients results in secure employment.
- ♦ Increase in businesses served in rural areas from previous fiscal year.

Serving the Needs of Small Business

Small businesses make a unique contribution to the California economy as they create most of the new jobs and provide the means by which many workers enter the labor market. The transforming California economy increasingly will be based upon

smaller, networked and highly-adaptive firms that can respond swiftly to sudden shifts in the marketplace. Funding provides an essential resource for many small employers who otherwise would have no means to train or retrain workers.

In recognition of the importance of small businesses to the California economy and the value of customized training to small businesses, the Panel continues to refine its contracting processes and procedures to facilitate contracting for small employers. Also, for the past two years, ETP has been funding training for small business entrepreneurs with the intent of making those businesses more competitive in the marketplace.

Goal 1: Meet the State legislative requirement to use at least \$10 million for training activities for small businesses employing fewer than 100 persons.

Objective 1: Target marketing efforts to ensure small businesses apply for and are approved for funding.

Objective 2: Provide specialized customer service to small businesses to ensure success of training projects.

PERFORMANCE MEASURES

- ◆ Increase in success rate of small business contracts measured in training funds earned versus planned, using FY 1996/97 as the base year.
- ◆ Increase in the percentage and number of small businesses served resulting from direct, single employer contracts, using FY 1997/98 as the base year.
- ◆ Reduce processing time for small business training proposals, agreements, amendments, and invoices using FY 1996/97 as the base year.

Marketing, Research and Program Administration Funds

The Panel promotes, enhances, and operates the program through marketing and research, as well as program administration activities. In addition to the internal marketing and research activities conducted by staff, the Panel contracts with outside entities for marketing assistance and research studies. Staff also perform many duties in program administration. The following describes the activities planned for the next three fiscal years to promote and improve the program.

Marketing

The program is marketed directly through its Marketing Unit and in collaboration with other entities in the State's economic development and workforce preparation arenas. The Panel seeks and obtains local economic information and business trends from appropriate experts to better market and target resources. Collaborative marketing augments the direct marketing to businesses within industries the Panel has identified as having the most impact on the California economy.

ETP also markets the program through its Internet homepage, which has become an increasingly vital tool in the marketing efforts. Currently, the home page includes information on the Panel and the program; provides viewer access to the legislation and regulations; includes lists of recent and current ETP consultants and subcontractors; describes the Welfare to Work initiative; includes profiles of previous projects; and lists public meeting dates. In addition, the Panel has produced a promotional video to market the program to potential contractors.

Goal 1: Market the Program directly, focusing on manufacturing and growth industries, small business, and rural areas of the State.

Objective 1: Market directly to businesses having the most significant impact on the growth of the California economy. Focus on businesses engaged in manufacturing, entertainment and multimedia, advanced

transportation and telecommunications, and advanced computer technology industries.

Objective 2: Market directly to small businesses to increase the number of direct contracts with such companies by 50 percent annually, using FY 1996/97 as the base year.

Objective 3: Market directly to businesses in rural areas to increase the number of such firms applying for Panel funds by 30 percent over FY 1997/98.

Goal 2: Support economic development through collaborative efforts with other entities in the State's economic development and workforce preparation arenas.

Objective 1: Continue marketing outreach through the California Association for Local Economic Development (CALED), local economic development corporations, educational institutions, chambers of commerce, Trade and Commerce Agency and the California Federation of Labor's California Workers' Assistance Program.

Objective 2: Continue support for SkillsNet, an industry-led skills-development initiative supporting California's multimedia/entertainment industry.

Objective 3: Continue support for the California Manufacturing Technology Program, a technology transfer initiative to assist small- and medium-sized manufacturers to become more competitive and grow.

Objective 4: Ensure Panel members receive reports on economic and business trends by appropriate experts.

Goal 3: Market the Program via the Internet.

Objective 1: Maintain and enhance the Panel's Internet web site "home page".

PERFORMANCE MEASURES

- ◆ Marketing goals to manufacturers, new and emerging industries, small businesses, and rural employers are achieved.
- ◆ Collaborative marketing efforts with other entities in the State's economic development and workforce preparation program were effective i.e., they met expected levels.
- ◆ ETP's Web Site "home page" is timely, accessible, and useful for customers.

Research Studies

The Panel contracts with outside entities for research to ensure it remains at the forefront of the employment training and economic development arenas and to meet legislative mandates. In addition, through its Planning and Research Unit, the Panel conducts internal research studies to support continuous improvement of the program, policies, processes, and procedures.

The Panel has designated its research agenda as a high priority and will continue several current research efforts while initiating a number of new studies.

Goal 1: Conduct research studies to meet legislative mandates.

Objective 1: In FY 1998/99, complete the study determining the impact of ETP-funded training on trainees, businesses, and the economy.

Objective 2: Continue supporting and participating in the statewide SB 645 "report card" system for workforce preparation programs.

Goal 2: Conduct research studies for program improvement.

Objective 1: In FY 1998/99, evaluate the implementation of tracking solely the trainer's time (rather than trainee's time), as well as the trainee's attainment of competencies, under Structured-on-Site Training (SOST).

Objective 2: In FY 1998/99, review the new application process to determine whether it has reduced contract processing time.

Objective 3: In FY 1998/99, evaluate alternative methods of training delivery and determine types appropriate for Panel funding.

Objective 4: In FY 1998/99, conduct a follow-up study of contract completion rates to determine if strategies such as the identification of risk factors and increased technical assistance have helped increase contract completion rates.

Objective 5: In FY 1999/00, evaluate Welfare to Work projects to determine whether they have fulfilled the intent of the legislation in supporting the continued employment of current and former welfare recipients.

PERFORMANCE MEASURES

- ♦ Studies are completed timely, and the results are reported in the ETP Annual Report.
- ♦ Study recommendations are useful and result in improvements to the program, policies, processes, and procedures.

Program Administration

The Panel is committed to continually improving service to its customers, principally employers. Feedback from customer and stakeholder groups to improve the program and processes is solicited regularly. During the next three fiscal years, the Panel will strive to make the program more "user friendly" by continuing its work with the ARC and other user groups. Efforts will target the contracting process and procedures to increase contract success. To ensure successful projects, the Panel will continue to educate contractors on program requirements and provide them technical assistance throughout the contracting process. In FY 1998/99, the Panel will implement a new system of incremental funding to reduce fund disencumbrances.

These efforts will be complemented by continuous internal improvements in processes and procedures. Performing as a high-performance workplace, ETP will continue to develop and implement a Total Quality Management (TQM) philosophy throughout the agency, working in Quality Improvement Teams and Workgroups to improve products and services. In the next three years, information technology will focus on meeting the agency's data needs and in establishing connections with other State systems and databases.

Goal 1: Reduce training fund disencumbrances.

Historically, training projects collectively have earned less than 60 percent of the total training funds committed. Resulting in more than 40 percent of the available funds rolling over through disencumbrances to be subsequently committed to new contractors and training projects, and a delay in the positive impact training funds have on the State's economy.

The Panel is committed to reducing the high level of training fund disencumbrances, and achieving a 50 percent reduction in the historical disencumbrance rate by FY 2001/02.

Objective 1: Implement incremental funding of training Agreements.

Beginning July 1, 1998, the Panel will implement an incremental system of encumbering funds for all initial contracts over \$250,000 in order to reduce disencumbrances. Historically, 100 percent of training funds have been encumbered once an agreement is approved and executed. However, because many contractors do not earn the entire amount encumbered, unused funds revert back to the agency through disencumbrances, thus delaying the positive impact training funds have on the State's economy. By encumbering funds in increments based on project performance, ETP will be able to better control the level of funds which are encumbered but not earned and thus reduce disencumbrances.

Goal 2: Increase training project success rates.

Objective 1: Implement Annual Training Sessions for Subcontractors and Consultants.

Applicants and contractors are sometimes assisted by external consultants and subcontractors in the pre-application process, development of the training plan curriculum, and providing training or administering the Agreement. To better meet the overall goal of increasing the success of Agreements, it is essential for subcontractors and consultants to be knowledgeable of the ETP program, its legislation, regulations, processes and procedures³.

Objective 2: Implement recommendations from customer surveys.

Staff will continue conducting contractor surveys at project completion, withdrawal, or termination. Through these surveys, factors attributable to the success, withdrawal, or termination of training projects will be identified. Survey responses aid in the continuous effort to improve the contracting process and provide better customer service.

Objective 3: Educate contractors.

In its effort to ensure successful training projects, the Panel will continue to work with contractors to better educate them about program requirements. Contractors are provided up-to-date information on the program and training requirements through mandatory orientation sessions. Customer feedback regarding participation in these sessions will be used to evaluate and continuously improve the orientation sessions.

Objective 4: Continue improving the development and monitoring processes.

In FY 1998-99, in order to better educate contractors and assist with application requirements, the Panel will emphasize more timely assistance by having staff conduct site visits after a contractor is determined eligible to ensure the development of viable training projects.

Monitors will provide continuous support by assessing project performance on a timely basis and providing technical assistance, as necessary.

Objective 5: Improve processes, procedures, forms, policies and regulations.

In striving for continuous improvements, processes, procedures, forms, policies and regulations will be reviewed by working closely with program stakeholders. These efforts will be effected internally by Quality Improvement Teams and Workgroup efforts.

PERFORMANCE MEASURES

- Fund disencumbrances are decreased.
- Sufficient feedback is obtained from customers/stakeholders to identify program strengths and weaknesses and target continuous improvements.
- Contract completion rates are increased.

³ETP and Its Subcontractors and Consultants, Richard Moore, Daniel Blake, Christopher Anacker, Michael Cohen, CSUN, College of Business Administration and Economics.

Goal 3: Ensure long-range information technology capability.

The Information Technology Unit (ITU) works to ensure the Panel can meet all of its current and future data needs. ITU will continue to focus on long-range information technology planning, ensuring staff have access to appropriate hardware and software, while developing and maintaining interconnectivity to other state systems and databases, as necessary.

Objective 1: *In FY 1998/99, continue to improve the Management Information System (MIS) that provides the Panel and its staff with timely and accurate information necessary to make better management decisions.*

Objective 2: *By March 1999, automate the process for the internal accounting of funds.*

Here, the Panel will continue to perform its ongoing assessment of the MIS and the needs of the agency for information; work to enhance the MIS capabilities throughout the entire contracting process; and upgrade the IT network to ensure it stays current with overall IT advances.

PERFORMANCE MEASURES

- ◆ External and internal customer MIS needs are met.
- ◆ IT hardware and software are up-to-date.
- ◆ IT network is connected with other IT environments.

Goal 4: Improve service to customers.

ETP continues to perform as a high-performance workplace, focusing on continuous organizational improvement, improved staff performance, and increased staff productivity. The Panel strives to improve its customer service by emphasizing the development of a TQM philosophy throughout the organization; the value of the efforts of Quality Improvement Teams (QITs) and Workgroups; and, the value of training staff in the principles of TQM, customer service and job-specific skills.

To ensure staff's ability to focus on continuous improvement, TQM will be further developed and implemented during Fiscal Year 1998/99. This will include:

- ◆ Ensuring the TQM Manager coordinates agency quality efforts consistent with the guidance of the Quality Council, through regularly scheduled meetings;
- ◆ Maintaining a TQM Handbook including a TQM Calendar and a Roster of QITs and Workgroups;
- ◆ Providing TQM related news for staff, including newsletters and Staff Reference Manual Revision updates; and
- ◆ Continuing quality seminars.

Objective 1: *In FY 1998/99, further develop and implement a TQM philosophy throughout the organization.*

Objective 2: *Support the efforts of QITs and Workgroups.*

QITs and Workgroups allow staff the opportunity to work in teams, help improve products and services, and share responsibility in decision making. Current QITs and Workgroups are working to develop recommendations to improve policies, processes and procedures. Additional QITs and Workgroups will be established as necessary.

QITs and Workgroups work in conjunction with a Quality Council that provides on-going leadership and direction for ETP. In addition, an ongoing TQM Facilitators' Workgroup actively supports and assists the activities of QITs and Workgroups.

Objective 3: *By June 30, 1999, complete the development of automated forms to simplify and expedite the contracting process and communication between ETP and its contractors.*

Objective 4: *By June 30, 1999, provide contractors access to electronic information and on-line data entry through the Internet.*

The Panel continues to make the program more user-friendly through its Internet home page by

continuously updating and adding pertinent information. ETP is also working to develop online communication links with ETP information for contractors via the Internet.

***Objective 5:** In FY 1998/99, continue reinforcing customer service by providing training and on-going meetings with staff.*

***Objective 6:** Provide staff training consistent with unit training plans based upon staff assessments submitted annually to Assistant Directors with each manager's Performance Appraisal Agreement (PAA).*

In the next three years, the Panel will place emphasis on staff training in the following programmatic areas: ongoing training emphasizing increased service to customers, conducting mandatory orientation sessions for contractors, implementing the Welfare to Work initiative, incremental encumbrances and new or existing computer software applications. Staff training on major procedural changes will continue to be provided. Development and monitoring staff will continue their annual joint meeting to learn from each other's perspective and experience and improve internal communications.

PERFORMANCE MEASURES

- ◆ TQM concepts and processes are implemented by all staff and lead to continuous process improvements.
- ◆ Contractors find the contract development and training documentation processes to be customer friendly.
- ◆ Training Plans are submitted on an annual basis and are consistent with the overall training goals of the agency.
- ◆ Staff receive training in the areas identified and approved by managers.
- ◆ Contracting process is automated for increased customer access.
- ◆ Contractors are able to access information and enter data through the Internet by specified date.

The Strategic Plan was prepared by the Planning and Research Unit staff: Ada Carrillo, Terri Caudle, Jill McAloon, Carroll Miller, Mike Rice, Beverly Roberts, Elizabeth Slape, and Sophia Thompson.

Additional copies of the Strategic Plan may be obtained through the Employment Training Panel, 1100 J Street, 4th Floor, Sacramento, CA 95814 (916) 327-5643.

The Employment Training Panel (ETP), as a recipient of state funds, is an equal opportunity employer/program and is also subject to Section 504 of the Rehabilitation Act and the Americans with Disabilities Act (ADA).

Individuals with disabilities who would like to receive the information in this publication in an alternate format may contact ETP at (916) 327-5643. TTY users can reach the above phone number through the California Relay Service by calling 1-800-735-2929.



ETP

EMPLOYMENT
TRAINING
PANEL