

# Supporting Business Engagement and Layoff Aversion Efforts



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# What is ETP?

ETP is a State agency that uses a **pay-for-performance contract** to reimburse the costs for employer-customized job skills training.

ETP does not:

- provide training
- mandate training topics for the employer
- select or approve trainers

# ETP Funding

The Employment Training Tax is collected as part of the Unemployment Insurance Tax paid by employers for each employee in California.

The funding is aggregated into the Employment Training Fund which is administered by the Employment Training Panel.

**ETP funding projected at \$105 Million for FY18/19.**

# ETP 101

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(Just enough to get you in trouble)



# Program Details

Single Employer and Multiple Employer Contract (MEC) formats

Trainees can be:

- employed (Retrainee)
- unemployed at the start of training (New Hire) or
- owners of small businesses (9 or fewer FTE)

Reimbursement is based upon the number of hours of training, independent of the cost in most cases.

8 Hour minimum for training; Must work full-time after training and earn contract minimum wage.

# Program Details

Employer-customized job skills training is eligible for reimbursement.

- Legally-mandated or very general training is not funded by ETP.

Training can be delivered in multiple formats.

Training Topics, Delivery Method and Range of Hours are the **Curriculum**.

Any combination of Training Providers may be included in an ETP funded program.

# Employer Eligibility

To be eligible, employers must do the following:

- Have one or more Full-Time Employee
- Use a California Employer Account Number (CEAN) to report wages
- Be subject to the Employment Training Tax

Professional Employer Organizations can be used by employers under certain circumstances.

Special criteria may exist for alternatively-funded programs, such as Alternative Fuel programs.



# Priority Industries

ETP identifies Priority Industries as part of its annual strategic planning process. These industries are provided increased reimbursement and under limited circumstances, lower minimum wages.

The current Priority Industries are:

- Manufacturing/Food Production
- Biotechnology & Life Sciences
- Information Technology Services
- Multimedia/Entertainment
- Goods Movement & Transportation Logistics
- Agriculture
- Allied Healthcare
- Construction
- Green / Clean Technologies

# Initiatives

ETP promotes training initiatives prioritized as critical to supporting the citizens of California.

Current ETP Initiatives include:

- Alternative and Renewable Fuels Vehicle Technology Program (ARFVTP)

- Non-Traditional Apprenticeship

- RESPOND – Drought (Core)

- Veterans Training (New Hire and Incumbent)

- Individuals with Disabilities

- At-Risk Youth

- Ex-Offender

# Reimbursement

Reimbursement rates are intended for training and administrative costs

Type of Trainee/Proposal	Class/Lab, Productive Lab Videoconference, E-Learning
Retraining – Standard	\$15
Retraining – Job Creation, New Hire	\$20
<b>Small Business – Standard</b> (100 or less employees but no more than 250 worldwide. Including businesses served under an Multiple Employer Contractor or entrepreneurial agreement.	\$22
<b>Priority Industry/Large Employer</b> (100 or more employees)	\$18
<b>Priority Industry Small Business</b> (100 or less employees but no more than 250 worldwide. Including businesses served under an MEC or entrepreneurial agreement.	\$26

CBT Training \$8 per hour

# Wage Requirement

Effective for contracts approved on or after January 1, 2018 and before December 31, 2018.

Category	New Hire	Retrainee
Standard ETP Minimum Wage	<b>\$13.66 - \$15.18</b>	<b>\$16.70 - \$18.22</b>
High Unemployment Area (with Wage Waiver)	<b>\$11.00 - \$11.39</b>	<b>\$12.53 - \$13.67</b>
SET Frontline Workers		<b>\$30.36</b>
SET Frontline Workers (Critical Proposal/Priority Industry)		<b>\$22.27</b>



# The Case for Partnership

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(A little more than enough to get you  
and your friends in trouble)



# ETP Funding

403 Contracts Approved (\$97M)

**335 Single Employer Contracts (\$62.7M)**

27 Apprenticeship Contracts (\$13.7M)

24 Training Agencies (\$13.5M)

9 Group of Employers (\$3.5M)

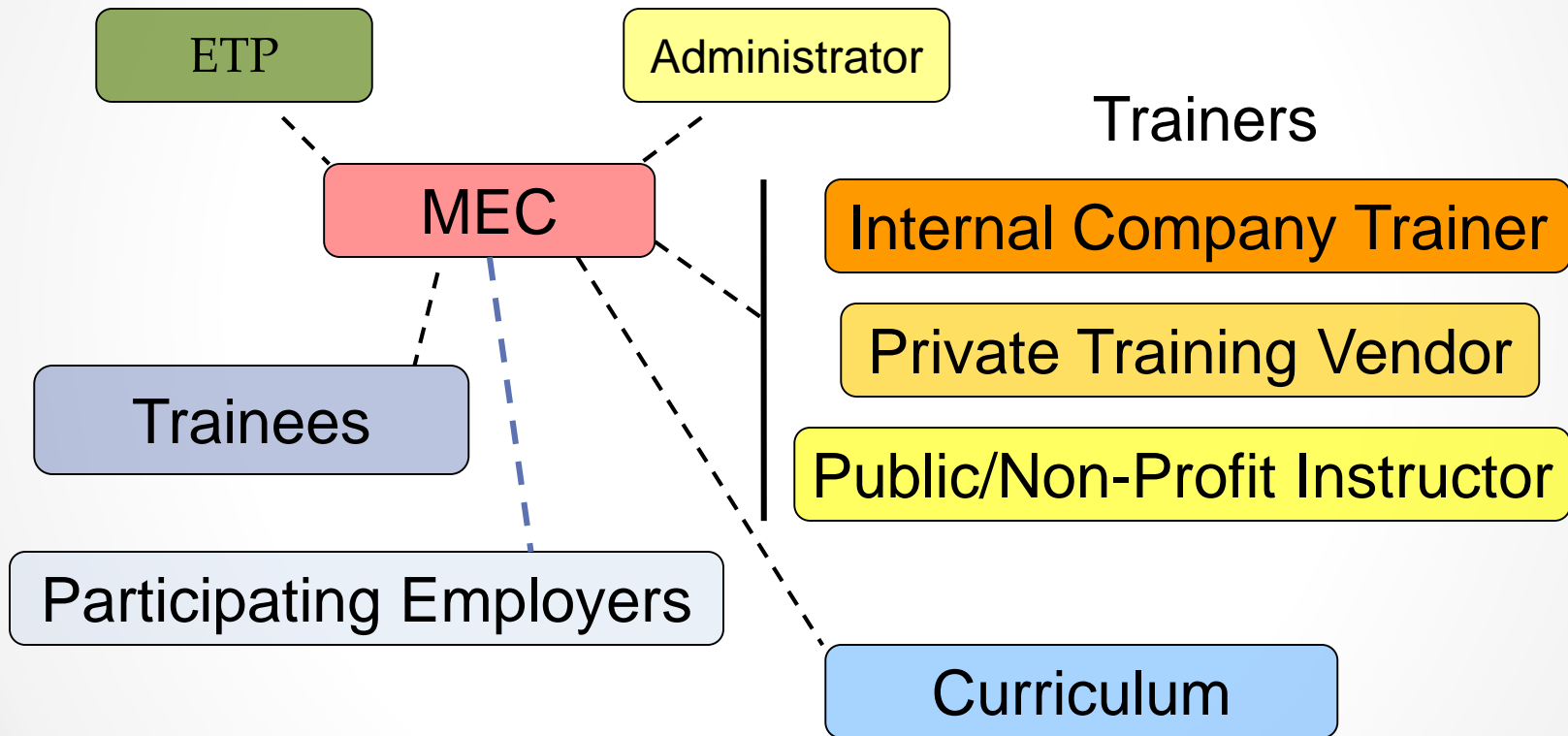
8 WDB / WIOA (\$3.6M)

**83% of contracts awarded are for Single Employers.**

**ETP Served 2,511 Employers, over 87% served thought Multiple Employer Contractors.**

Source: ETP Annual Report FY15/16

# MEC Contract Model





# MEC Program Costs

ETP Contractors may not use multiple public funding sources for the same hour of training.

Permitted Overlaps: Training Topic, Class Population, Occupation, Location, New/Existing Worker

Contractor may charge for training costs in excess of ETP reimbursement for retraining (Not for New Hire).

**Support Costs:** up to 8%\* can added to ETP reimbursement rates for marketing and outreach

**Administration Costs:** up to 13% of earned funds may be used for administration of an ETP contract.

# Who is MEC Eligible?

- Community Colleges, Universities and University Foundations, Unified School Districts, Adult Schools, Regional Occupation Programs (ROPs) and Private Training Agencies (Certified by BPPE).
- Workforce Development Boards and WIOA Grantees or Administrative Entities
- Chambers of Commerce, Professional Membership Associations, Trade Associations, Economic Development Corporations, Joint Apprenticeship Training Committees

# Projects



(How we get everyone in trouble)



# Food Service Partners

Pre-Employment Training, OJT with WIOA Co-Enrollment, Transportation Assistance and Accelerator Grant supported co-investment.

**City of Richmond Workforce Development Board**

Tax Credit and Incentive Assistance, Permit Assistance

**Governors Office for Economic Development**

ETP-funded training (prior to direct Single Employer contract) and Technical Assistance

**California Manufacturing and Technology Association**

ETP Contract for **\$350,402** to train 78 existing workers and 109 new production and operations staff.

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