



Strengthening Business Services and Employer Outreach with ETP

Stewart Knox, Executive Director

Session Overview

1. What is ETP? (a primer)
2. Funding and Program Updates
3. WIOA implementation and new opportunities
4. Q&A

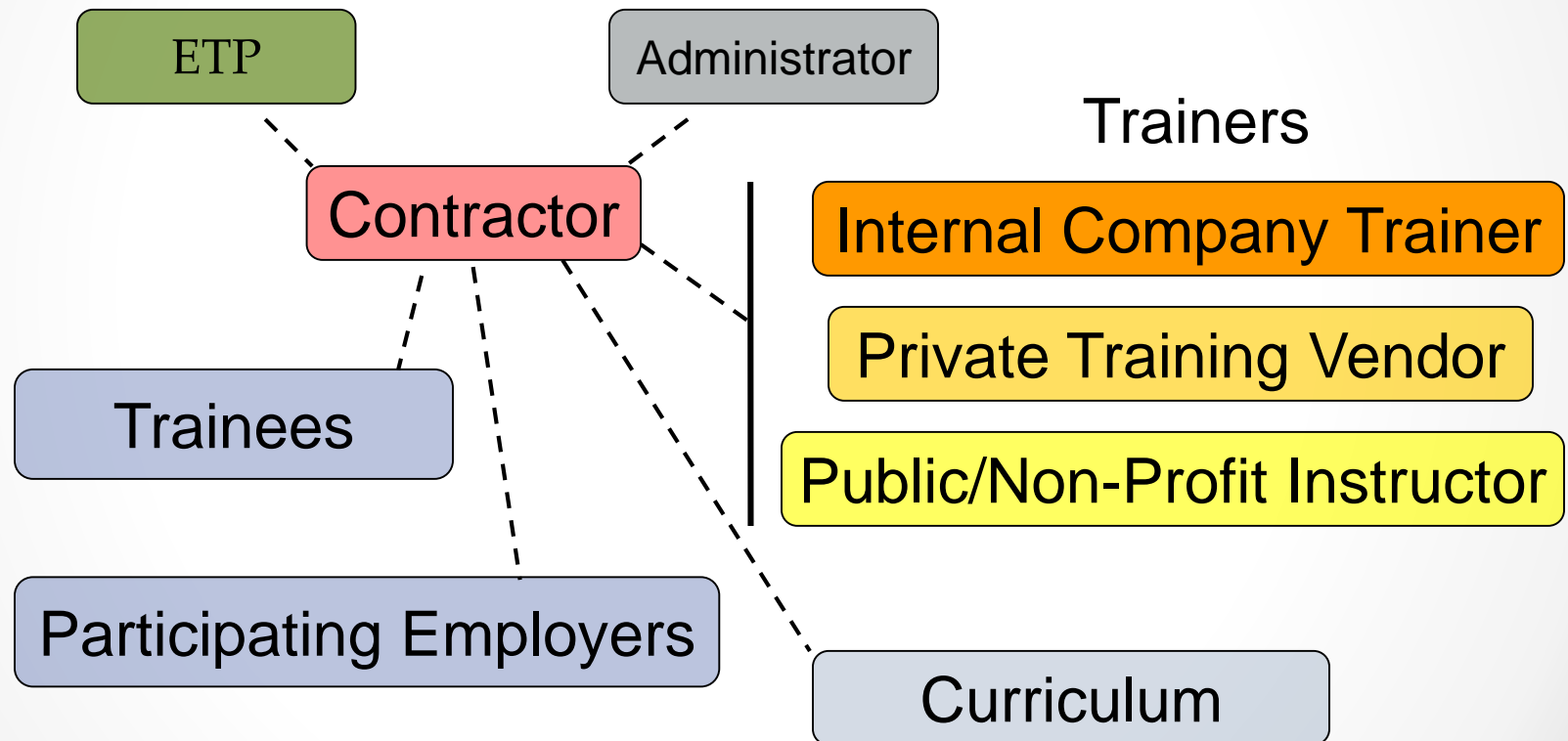
What is ETP and what does it do?

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

Basic Contract Relationships



What training does ETP fund?

ETP funds employer-customized, job-specific skills training.

ETP does not fund Legally mandated training (e.g. sexual harassment), company orientation, CEU, general safety training.

These training topics, along with the range of hours, and training delivery methods are consolidated into the Curriculum.

Is the Employer ETP Eligible?

To be eligible for ETP funding, employers must be:

- Subject to the Unemployment Insurance contribution and the Employment Training Tax
- One or More Full-Time Employees
- Use a **C**alifornia **E**mployer **A**ccount **N**umber to report wages

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

Retraining Requirements

Employers training incumbent workers must:

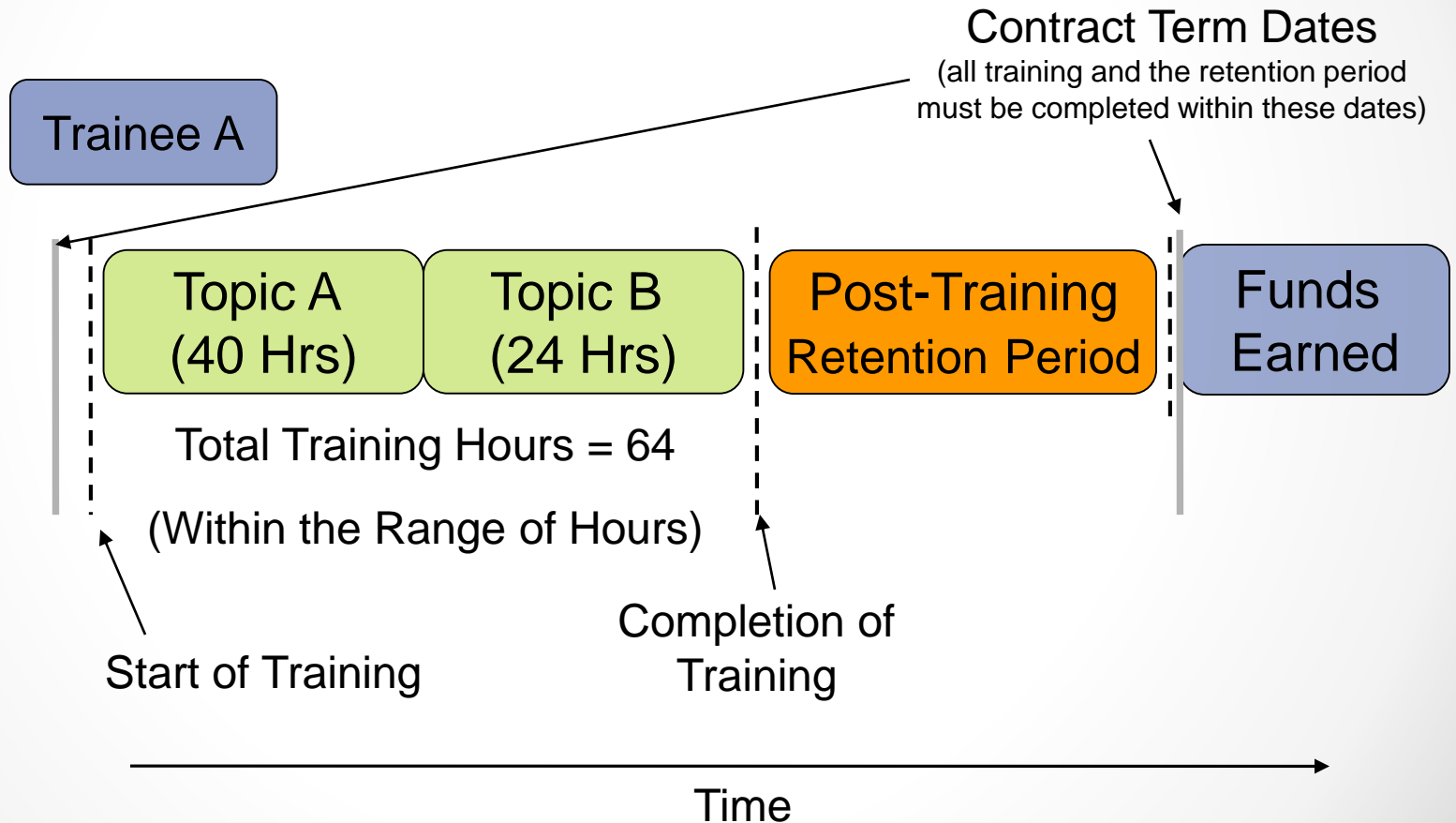
- Face out-of-state competition or meet alternate criteria under Special Employment Training framework.

Employers must also demonstrate

- the need for training
- that the training is *supplemental and not supplanting* available funding
- their In-Kind Contribution and
- that they provide Secure Jobs (low turnover)



Individual Trainee Model



Will the trainee qualify?

Trainees must complete a **minimum of 8 hours of training** within the contract term.

Training funds are **EARNED**

1. after the post-training employment retention period (usually 90-days) and
2. earning in excess of a contract-specified minimum wage.

ETP Reimbursement

(the good part)

The cost of training is the cost of training.

ETP uses a **fixed-fee training reimbursement rate** that is inclusive of all administration and training costs.

ETP reimbursement rates are contract specific but range from \$15 - \$26 per trainee, per training hour.

Funding = total training hours x reimbursement rate

ETP Reimbursement

(the good part)

Contractors may request **progress payments** during training. Progress payments are **UNEARNED** funds.

Here is a standard progress payment schedule:

25% of Estimated Cost per Trainee [Enrollment]

50% of Cost of Training [Completion of Training]

25% of Cost of Training [Completion of Employment Retention Period – ETP Funds Earned]

ETP Related Costs

MEC may increase reimbursement for **program support costs**, e.g. recruitment and marketing efforts (up to 8% of the standard reimbursement). Higher levels for hard-to-serve populations.

ETP Contractors may hire an administrator and pay them any amount up to 13% of the earned amount of ETP funding; this is **administrative fees**.

ETP Applicants may hire a subcontractor to assist in development; **development costs** may NOT be paid for with ETP funds.

ETP Reimbursement

Reimbursement rates are intended for training and administrative costs, and vary with the type of training and delivery method.

Type of Trainee/Proposal	Class/Lab Productive Lab Videoconference E-Learning
Retraining – Standard	\$15
Retraining – Job Creation or New Hire	\$20
Small Business – Standard, New Hire- Veteran	\$22
Priority Industry/Large Employer (100 or more employees)	\$18
Priority Industry Small Business Including businesses served under an MEC or entrepreneurial agreement.	\$26

CBT Training \$8 per hour

ETP Administration

(the catch)

Contractor is responsible for all contract administration including record keeping and payroll documentation

- *even* if a third-party has been contracted to provide these services.

ETP provides technical assistance throughout the contract development process and during the training delivery.

Current Programs

Core Program Funding

Apprenticeship Pilot Program

Alternative Funding Programs

Alternative and Renewable Fuels and Vehicle Technology Program (ARFVTP aka AB118)

Rapid Employment Strategies Pilot on Natural Disasters (RESPOND – Drought ETP Core Funding)

Please see the ETP website (<http://www.etp.ca.gov>) for the latest information regarding the availability of funds as this information does change.

Funding and Program Updates

FY15/16

\$90.5M contract value **[\$4.1M remaining]**

Single Employers	\$44.30M	-\$750K
Multiple Employers	\$22.83M	\$1.4M
Small Business	\$5.00M	\$1.5M
Critical Proposal	\$6.34M	\$756K
Apprenticeship	\$12.13M	\$1.2M

AB118 \$3M **[\$430K available]**

Funding Caps

Contractor Category	Historical 14/15 Caps	Current 15/16 Caps
MECs	\$650 K	\$950 K
MECs serving Small Business *	N/A	\$1.2 M*
Single Employers	\$425 K	\$750 K
Small Business	\$50 K	\$50 K
Critical Proposal	\$750 K	\$900 K
Apprenticeship – per sponsor	\$300 K	\$450 K
Single Employer Job Creation	N/A	N/A
Single Employer Job Creation & Retraining	N/A	N/A
*MECs serving a “substantial” number of Small Businesses.		

Prioritization Strategies

Develop a “simple” way to work through proposals in the 16/17 year for determination of funding within each category:

- Does it meet the Panel’s Priority Industries?
- Does it meet the Governor’s Priorities?
- Does it target Special Populations
- Priority Occupations

ETP Priority Industries

Manufacturing/Food Production

Biotechnology & Life Sciences

Information Technology Services

Multimedia/Entertainment

Goods Movement & Transportation

Logistics

Agriculture

Allied Healthcare

Construction

Green / Clean Technologies

Professional and Scientific services

Prioritization Strategies

1. Develop around Governor/Labor and Workforce Development Agency: Investing in California's Workforce – Governors Budget
2. Drought/Water reduction, Clean/Green Industries
3. Critical Proposals/Business Expansion/Retention
4. High Speed Rail
5. Non Traditional Apprenticeship Programs
6. Training that leads to industry recognized credentials
7. *Underserved/ Hard-to-Serve Populations*

WIOA Implementation

WIOA-funded incumbent worker training flexibilities creates new leveraging opportunities with ETP.

- Employer Services can be provided as part of an overall training strategy
- Employed and Unemployed adults and dislocated workers may receive training services with wider range of criteria.

WIOA Implementation

WIOA-funded incumbent worker training flexibilities creates new leveraging opportunities with ETP.

- 20 percent of combined total of adult and dislocated worker allotments for incumbent worker training
- Statewide activities funds and Rapid Response funds may be used for statewide incumbent worker training activities

WIOA Implementation

WIOA-funded incumbent worker training flexibilities creates new leveraging opportunities with ETP.

- Cost sharing requirement flexibility – employer match
- Industry flexibility for customized training for incumbent workers based upon Local
- WIOA and ETP provide greater retention model flexibility

Application Process

1. Orientation
2. Preliminary Application
Determination of Eligibility
3. Site Visit
4. Application for Funding
Contract Development
5. Approval – Funded Training Begins

Contact Information

Stewart Knox, Executive Director

(916)327-5640

stewart.knox@etp.ca.gov

Robert Meyer

(916)327-4391

robert.meyer@etp.ca.gov