

Employment Training Panel

Mission: The mission of the Employment Training Panel (ETP) is to help employers maintain a skilled workforce in order to remain competitive. Training funds partially offset the cost of customized job skill training for incumbent workers or newly hired workers.

Funding: ETP's core program is funded by a redirection of .1% of employers' unemployment insurance tax payments. The amount of money varies based upon the amount of taxable employment in the state for the year. Funding for 2011-12 is about \$50 million as compared to over \$100 million in years prior to the economic downturn. ETP also receives approximately \$4.5 million in Alternative and Renewable Fuel Training Program (AB 118) state funds from the California Energy Commission to fund training for both incumbent and unemployed workers in alternative and renewable fuels and vehicle technologies.

Administration, Governance, and Service

Delivery System: ETP is part of the Labor Agency, but has independent authority to disburse funds and set program policy. An eight-member bi-partisan board – called the Panel – reviews and approves all training contracts. The Panel consists of three gubernatorial appointees, two Speaker of the Assembly appointees, two Senate pro

Tempore appointees, and an ex-officio member representing the Secretary of the Business, Transportation and Housing Agency. ETP can contract with single employers, groups of employers (such as Chambers of Commerce, Joint Apprenticeship Training Committees, Trade Associations, and Economic Development Corporations), and training agencies (including colleges, adult schools, and regional occupational programs).

Population Served: ETP funds are used to train either incumbent workers or individuals who are unemployed at the start of their training. Only industries that pay into the unemployment insurance fund are eligible for ETP core training monies. Non-profit healthcare employers are not eligible for core training funds. However, in 2009-10 and 2010-11 ETP received a total of \$14.1 million in WIA Governor's discretionary funds that were targeted exclusively to non-profit healthcare projects training a projected 11,503 new nurse graduates, incumbent nurses and other healthcare occupations in 63 projects. ETP does, however, fund training in for-profit healthcare facilities. The authorizing legislation also targets businesses that demonstrate the need for training because they are threatened by out-of-state competition. Manufacturing companies meet

this standard, as do other companies that can demonstrate that they face out-of-state competition. The Panel may allocate up to 15% of ETP funds for Special Employment Training (SET) projects with employers that do not face out-of-state competition.

ETP has identified the following industries as vital to California's economic growth: Green/Clean Technology; Manufacturing; Allied Healthcare; Construction; Goods Movement and Transportation Logistics; Information Technology Services; Biotechnology and Life Sciences; Multimedia/Entertainment; and Agriculture. These industries receive a higher reimbursement rate for training and are the focus of ETP marketing efforts.

Services: The majority of ETP training funds are directed to the manufacturing sector. Other sectors such as technology (including software development, biotechnology, telecommunications, engineering and multimedia entertainment), services (including

health care), construction, finance, transportation, and agriculture also receive training funds. Of all businesses served, about 75 percent are small (i.e., employed 250 or fewer workers).

Accountability: ETP is performance-based, so funds are not earned by the employer or training provider until trainees successfully complete training and are retained in employment (generally for 90 days). ETP prepares an annual report to the Legislature that includes information on projects completed during the year including individual and aggregate performance and cost information and the results of project evaluations. An independent evaluation of ETP in 2000 by Moore et al. found that there is wide variation in potential gains that companies receive from training that depends upon the strength of company management, the design of the training, the quality of the delivery of the training, and the reinforcement of the training on the job.