



Strengthening Business Services and Employer Outreach with ETP

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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

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

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.

Veterans

- Implemented as pilot program 2008
- Became regular part of program 2010
- Veterans must have served active full-time duty
- Includes Reservists who have served full-time
- Reimbursement rates highest available (\$22/\$26)
- 20% additional for support costs

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.

Current Programs

Core Program Funding

Apprenticeship Pilot Program

Alternative Funding Programs

Alternative and Renewable Fuels and Vehicle Technology Program (ARFVTP ala 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.

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

Application Process

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

Q&A

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Appendix Materials

2015 ETP Minimum Wages

Effective for contracts approved on or after January 1, 2015 and before December 31, 2015.

| Category | New Hire (Minimum Wage After Retention) | Retrainee (Minimum Wage After Retention) |
|---|--|---|
| Standard ETP Minimum Wage | \$12.33 - \$13.70 | \$15.07 - \$16.44 |
| High Unemployment Area (with Wage Waiver) | \$10.00* - \$10.28 | \$11.30 - \$12.33 |
| SET Frontline Workers | \$27.40 | |
| SET Frontline Workers (Critical Proposal/Priority Industry) | \$20.55 | |

2016 ETP Minimum Wages

Effective for contracts approved on or after January 1, 2016 and before December 31, 2016.

| Category | New Hire (Minimum Wage After Retention) | Retrainee (Minimum Wage After Retention) |
|---|--|---|
| Standard ETP Minimum Wage | \$12.77 - \$14.19 | \$15.60 - \$17.02 |
| High Unemployment Area (with Wage Waiver) | \$10.00* - \$10.64 | \$11.70 - \$12.77 |
| SET Frontline Workers | \$28.37 | |
| SET Frontline Workers (Critical Proposal/Priority Industry) | \$21.28 | |

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 or 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.