

The Panel deferred action on revising the Retrainee-Job Creation Guidelines until the regularly-scheduled meeting on November 14, 2014. A new version of the proposed revision will be posted as part of the Panel Packet for that meeting.



Guidelines for: RETRAINEE-JOB CREATION

Effective: January 1, 2011

Revision History: 9/19/14 Revises Employer Eligibility to limit Job Creation funding to “net new jobs” and revises Funding Caps to reflect the fact that they may change each Fiscal Year. Clarifies Benchmark Data and adds “Final Date” for purposes of comparing current to new jobs. Explains how net new jobs will be determined, and makes other clarifications. 4/26/13 Establishes that part-time and seasonal employees are eligible when moving into a full-time permanent position; clarifies that training may begin before employment so long as the trainee is employed full-time before retention; clarifies that the post-retention wage increase does not apply for HUA wage modification except for Seasonal Workers; clarifies that MECs do not qualify for Retrainee-Job Creation. 11/06/12 Revises to reflect 2012/13 funding cap increases approved at the October Panel Meeting. 07/13/12 Revises guidelines to reflect project funding caps for Fiscal Year 2012-13. 01/09/12 Clarifies that a Retrainee-Job Creation project may be funded under SET, in which case, SET trainees shall be subject to the ETP Minimum Wage for New-hires – not SET wages; Revises “*Job/Facility Expansion*” to “*Hiring Projection*” consistent with recent ETP130 template revisions. 10/26/11 Given the Administration’s increased focus on job creation, the Panel is further incentivizing training for newly-hired workers: 10/22/11 Revises the Fixed-Fee Reimbursement Rate (from Retrainee to New-Hire rate); revises the ETP minimum wage requirement (from Retrainee to New-Hire minimum wage); revises trainee eligibility hire period (from a 9 month benchmark, to 3 months before the date of project approval or within the term of contract); revises employer eligibility to allow backfilling and routine replacement of workers; adds criteria for amending and developing projects; and, revises GoED references to GO-Biz.

These are guidelines only. If a proposal raises the need for further modifications, that will be accomplished on a case-by-case basis with direction from Executive Staff. Unless modified by these guidelines, all other program criteria apply.

BACKGROUND

Given ETP’s limited core program funding for FY 2010-11, the Panel took action in October to establish funding priorities, caps and allocations. (Panel Memo dated 10/29/10.) The Panel allocated \$2 million for Critical Proposals funded in the remainder of this Fiscal Year. For the purpose of identifying projects to be funded under this allocation, Critical Proposals will consist of two parts: 1) referrals from GO-Biz, and 2) projects defined by ETP as “*Retrainee-Job Creation*” for single employers training newly-hired employees. [Note: The standards for developing Critical Proposals from GO-Biz remain unchanged, pursuant to Title 22, CCR Section 4402.2.]

The Retrainee-Job Creation program applies only to Single Employer Contracts. Training under a Multiple Employer Contract (MEC) does not qualify for this program.

OVERVIEW

Retrainee-Job Creation training is exclusively for newly-hired employees. Trainees must be hired within 3-months before the date of project approval, or within the term of contract as long as training and retention can be completed within the term of the agreement. The Panel will consider each employer's investment in new workers, evidence of expanded or new facilities, new equipment or machinery, or other measureable investment in hiring workers and expanding their California workforce.

GUIDELINES

Employer Eligibility: Employers must provide information to support their commitment to hire new employees, such as:

- Opening specific new plants or facilities, expanding or upgrading existing facilities, and/or repurposing existing unused space/buildings or facilities;
- Expanding existing business capacity by adding a new production shift;
- Expanding existing business capacity by adding newly-hired employees to an existing function; or,
- The recall or rehire of laid-off workers (backfilling) is allowed, ~~as well as routine replacement of workers,~~ with justification to show that the company is renewing a workforce that was reduced due to economic conditions or other reasons leading to attrition.
- The worker must be hired into a "net new job" as determined by comparing the number of full-time permanent employees on payroll as of the Benchmark Date (Base Quarter), with the number of full-time permanent employees on payroll as of the Final Date (Qualifying Quarter). The Benchmark Date is defined below under Trainee Eligibility. The Final Date is contract end-of-term or Fiscal Close-out, whichever comes first. ETP will verify the Base Quarter and Qualifying Quarter from the employer's quarterly payroll reporting in the EDD Wage Database.
- Projects may be funded under the core program or SET.
- Major Seasonal Industry employers are eligible, consistent with Seasonal Worker guidelines and the trainee eligibility standards shown below.
- Small Businesses (≤ 100 employees) are eligible. The contract term may be extended to 24 months, with justification (inclusive of both Job Creation and incumbent worker trainees). **Job Creation does not exempt small business from the Funding Cap as may be applicable per Fiscal Year.**

Trainee Eligibility: Trainee eligibility is linked to the date of hire. The Benchmark Date for earliest eligibility is three months prior to the date of project approval by the Panel. The trainee must be hired on or after this date. The trainee may also be hired anytime within the term of contract if there is sufficient time remaining for training and retention prior to the Final Date which is defined above. (Fiscal will perform audits of hire dates prior to final payments.)

- Newly-hired employees are incumbent workers. They are identified as Retrainees (i.e. Chart 1) and must meet performance standards for Retrainees. However, trainees only need to meet the ETP minimum wage requirement for New Hires);
- Trainees will be eligible for enrollment so long as training and retention can be completed throughout the term of contract and existing training funds allow for reimbursement.
- A trainee whose employment is “Temp-to-Permanent” may be considered newly-hired, but employment retention cannot begin until the trainee is a permanent full-time employee on the Contractor’s payroll;
- A trainee whose employment is seasonal may be considered newly hired, but employment retention cannot begin until the trainee is a permanent full-time employee on the Contractor’s payroll;
- A trainee whose employment is part-time may be considered newly-hired, but employment retention cannot begin until the trainee is a permanent full-time employee on the Contractor’s payroll;
 - Part-time status is typically <24 hours a week but may be determined case-by-case based on the Contractor’s payroll guidelines or a Collective Bargaining Agreement.
 - Seasonal status is in accordance with the Seasonal Worker guidelines.
- Trainees are eligible to begin training while still employed as temporary workers or while in a part-time or seasonal position. As also stated above, for these trainees, the Job Creation eligibility Benchmark Date is measured from date-of-hire into a permanent, full-time position.

Trainee Enrollment: At the time of enrollment, the Contractor must report the trainee date-of-hire in the On-Line Forms system.

Funding Cap: Funding Caps may apply in a given Fiscal Year. See the [Funding Limitations, Project Caps.](#)

Reimbursement Rate: Although Retrainee-Job Creation trainees are considered incumbent workers, training will be reimbursed at the New-Hire Fixed-Fee Reimbursement Rate.

Post-Retention Wage: Although Retrainee-Job Creation trainees are incumbent workers, they only need to meet the ETP Minimum Wage for New Hires. For SET-funded projects, trainees are subject to the ETP Minimum Wage for New-Hires, rather than SET wages. The requirement for an increase between pre- and post-retention wages for retraining in a HUA does not apply, except for Seasonal Worker training.

Substantial Contribution: The Substantial Contribution requirement does not apply to Retrainee-Job Creation. In projects that contain both Job Creation and a non-Job Creation component, Substantial Contribution will not apply to the Job Creation Job Number.

Turnover Rate: Employers will be required to provide turnover rate information. Employers with greater than 20% turnover in the preceding year will be required to provide an explanation. However, a turnover penalty will not be assessed.

Contract Term: Contracts will be written for standard 24 month terms. Contractors that complete contract performance in less than two years should be encouraged to closeout their contracts early by submitting final invoices.

Amendments:

- **Adding a Retrainee- Job Creation Component** - A SEC may amend an active Retraining project to add a Retrainee-Job Creation component. A new job number for Job Creation trainees must be added by amendment (no modifications).
- **Adding a Retraining Component** - It is not permissible to amend an active Retrainee-Job Creation project to add a Retraining component for the purpose of transferring funds from a failing Job Creation component to Retraining.
- **Shifting Funds Between Existing Job Numbers** - Funding allocated for Retrainee-Job Creation can only be shifted to Retraining Job Numbers by amendment (no modifications) - and only if the total funding for Retraining remains within the current caps. (See [Funding Limitations, Project Caps](#)).

Developing Projects with Retraining and Retrainee-Job Creation:

- A SEC may develop a project with both Retraining and Retrainee-Job Creation components. Applicants with tangible job creation targets should be encouraged to create a separate Job Number in their projects for trainees hired 3 months prior and during the term of the agreement. The number of Retrainee-Job Creation trainees will be based on a company's best projection of hiring during the window period. Projection should be accompanied by brief narrative of business factors supporting the Job Creation numbers.
- At the time of development, if a company anticipates they might hire new employees but is not ready to commit to a Retrainee-Job Creation component, Development Analysts should let them know that ETP will do a follow-up in three to six months to see if their anticipated hiring plans solidified, and at that time, if appropriate, a Retrainee-Job Creation Job Number for additional funding can be added to the project by Panel Amendment. Also, this factor should be identified in the ETP130 under the subheading "**Hiring Projection**" for data collection by the P&R Unit.