To: Panel Members
From: Maureen Reilly
General Counsel

Subject: New Pilot for At-Risk Youth

The Panel is asked to consider adopting a new pilot program: Career Work Experience for At-Risk Youth (CWE). This action would support an education/workforce initiative to be implemented by the City of Sacramento under Mayor Darrell Steinberg, in cooperation with the Sacramento Employment and Training Agency (SETA), a joint-powers agency of the City and County. Under this initiative, SETA will partner with city school districts impacted by poverty or crime, or otherwise disadvantaged, to provide vocational skills training and placement for at-risk youth. If this pilot is successful in the Sacramento area, it will be offered statewide.

The goal of training is to assist students and other youth in a population that tends to have delayed entry into the job market. The trainees may still be students in the 11th or 12th grade although they may also have dropped out of school, or graduated without employable skills. As such, the typical trainee would be age 16-19, but the CWE pilot would extend up to age 22.

Students under age 18 would be required to obtain a State of California work permit issued by the Department of Education (DOE) through the high school, consistent with Education Code requirements. DOE also oversees high school internships under a Work Experience Education program, whereby the title for this pilot is derived. Like an internship, or even an apprenticeship, CWE trainees would continue to receive training while undergoing retention.

This pilot would be funded as Special Employment Training for Multiple Barriers (SET/MB), with retention and wage modifications as permitted for that funding category. It is anticipated that job placement would be full-time during the Summer months, and part-time during the school year. ETP funding would be through a Multiple Employer Contract (MEC) that targets participating employers in industry sectors with projected job growth such as construction, hospitality and healthcare. Training modules would be customized for those sectors, with input from a pool of potential employers. Participating employers would be “certified” as ETP eligible, and would be required to sign the work permit for trainees under age 18.

CWE is distinct from the existing Ex-Offender/At-Risk Youth program approved by the panel in March 2008, which would continue in effect. However, there are many shared attributes, as set forth in the attached CWE Guidelines. (See especially Table of Comparison.)
Effective: January 1, 2017

Background

This Career Work Experience for At-Risk Youth (CWE) pilot program supports a Mayoral initiative considered by the Panel at its meeting on December 16, 2016. The initiative, presented by City of Sacramento Mayor Darrell Steinberg, is meant to provide vocational skills training to high school students in neighborhoods impacted by poverty or crime and related issues. The goal of training is to assist students in a population that tends to have a delayed entry into the job market after graduation. If this pilot is successful in the Sacramento area, it will be offered statewide.

CWE is distinct from the existing Ex-Offender/At-Risk Youth program approved by the Panel in March 2008, which continues in effect. Both that program, and this pilot, will be funded as Special Employment Training for Multiple Barriers (SET/MB). There are other shared attributes as set forth in the attached Table of Comparison.

Eligibility

- **Contractor:**

  CWE is authorized only for a Multiple Employer Contract (MEC). The contractor must be eligible as one of the following:

  - Training Agency
  - Public school
  - Private school (training agency)
  - Trade or professional association
  - California Workforce Development Board
  - Workforce Innovation and Opportunity Act (WIOA) grant recipient or administrative entity

  The contractor must have had prior experience in New Hire training and placement; and, must demonstrate employer commitments to hire, sufficient to support at least 70% of the funding amount.
The contractor will be solely responsible for documenting trainee eligibility. The contractor will also be responsible for maintaining a copy of the work permit for each trainee under age 18. These records must be made available for review by ETP, upon request.

- **Trainee**

  ➢ Trainees must be between the ages of 16-22
    - Trainees under age 18 must possess a State of California work permit issued by the Department of Education (DOE) through the high school (CDE Form B1-1)

  ➢ Trainees may be enrolled in high school during delivery of the ETP-funded training. Typically, these high schools will be in a neighborhood that is impacted by poverty or crime, consistent with economically disadvantaged areas as defined by WIOA.

  ➢ Trainees must also have one or more barriers to employment such as:
    - Substance abuse
    - Physical disability
    - Learning disability
    - Educational deficiency
    - History of juvenile offense
    - Incarcerated parent
    - Homelessness
    - Barriers to employment as defined by WIOA

  Trainees are not required to demonstrate eligibility under UI Code Section 10201(c), given the SET exemption at T22 CCR Section 4409(a)(1). Trainees may be employed or unemployed at start-of-training but will be deemed New Hire throughout their participation in the CWE pilot program.

**Participating Employers**

Employers must be subject to payment of the Employment Training Tax pursuant to UI Code Section 10201(b). Employers are not required to meet out-of-state competition requirements, given the SET exemption at T22 CCR Section 4409(a)(1)

**Reimbursement**

The New Hire reimbursement rate will apply throughout the time period of training. The contractor may receive up to 20% in Support Costs, consistent with New Hire training.

**Wage**

The New Hire wage will apply, rather than the statewide average, given the SET/MB wage exemption at T22 CCR Section 4409(a)(7).
Wages may be modified by up to 25% for training in a High Unemployment Area (HUA), or for good cause shown. Up to $2.50 per hour may be included in wages as employer-paid share of cost for health benefits.

Retention

Retention must be completed by the end of training. However, training may continue during the time period of retention, in keeping with the concept of student internships and apprenticeships.

Retention may include part-time employment status. The time period of retention may be any of the following, consistent with retention waivers for SET/HUA and T22 CCR Section 4400(h)(v):

- 90 consecutive days with at least a 25-hour workweek
- 90 days within 120 days, same workweek
- 500 hours within 272 days
- Up to three employers

Incidental Placement should not exceed 25% of the total number of trainees retained in employment. However, Incidental Placement may be increased to 35% for good cause shown.

Hours of Training

Hours per-trainee may range from 8-260, consistent with New Hire training.

Method of Delivery

Class/Lab and Productive Lab (PL) are approved. PL must conform to a ratio of 1:1, capped at 40 hours per-trainee. E-Learning and CBT are not approved.

Curriculum

At least 50% of total hours per-trainee must be in vocational skills training. Up to 50% of total hours may be in Literacy Training, including basic skills as defined in T22 CCR Section 4400(n).

Recruitment

The contractor must develop a plan for recruiting and screening trainees, which must be submitted with the funding proposal for review and approval by the Panel.

Standard Criteria

If not otherwise specified above, all standard program requirements apply.
### Table of Comparison

<table>
<thead>
<tr>
<th>At-Risk Youth</th>
<th>CWE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SET/MB</td>
<td>Same</td>
</tr>
<tr>
<td>MEC or SEC</td>
<td>MEC Only</td>
</tr>
<tr>
<td>Age 18-24</td>
<td>Age 16-22</td>
</tr>
<tr>
<td>Deemed New Hire</td>
<td>Same</td>
</tr>
<tr>
<td>Up to 260 Hours</td>
<td>Same</td>
</tr>
<tr>
<td>New Hire Reimbursement Rate</td>
<td>Same</td>
</tr>
<tr>
<td>Support Costs up to 12%</td>
<td>Support Costs up to 20%</td>
</tr>
<tr>
<td>Retention 90 Days or 500 Hrs/180 Days</td>
<td>Retention 90 Days or 500 Hrs/272 Days</td>
</tr>
<tr>
<td>Training must End at Retention</td>
<td>Training may Continue in Retention</td>
</tr>
<tr>
<td>35-Hour Workweek</td>
<td>25-Hour Workweek</td>
</tr>
<tr>
<td>ETP Minimum Wage</td>
<td>Same</td>
</tr>
<tr>
<td>Wage Modification up to 25% for Good Cause</td>
<td>Same</td>
</tr>
<tr>
<td>Incidental Placement up to 35% for Good Cause</td>
<td>Same</td>
</tr>
<tr>
<td>Literacy Skills up to 50% Total Hrs Per-Trainee</td>
<td>Same</td>
</tr>
</tbody>
</table>