



Memorandum

To: Panel Members

Date: March 19, 2015

From: Stewart Knox, Executive Director

File: ETP Funding
Strategies

Subject: FUNDING PRIORITIES FY 2015/16

This is to present a series of recommendations for “ETP funding strategies” that would take effect in Fiscal Year 2015/16. These recommendations are outlined in a Power Point format, for action by the Panel. (See attachment.) The strategies include:

- Continue to allocate funds based on historical demand, among five types of contracts
- Re-affirm or modify designation of Priority Industries
- Simplify process for balancing workload demands (working through proposals)
- Set staggered dates to open pre-application, beginning in April
- Continue to cap funding per-contract in nine contract categories

The draft allocation amounts and the recommended funding caps are displayed in table format. (See Power Point at pages 7 & 9.)

Attachment

Employment Training Panel



Draft Recommendations
Stewart Knox, Executive Director
March 27, 2015

ETP Funding Strategies

- **Multiple Employer Contracts**
- **Single employers**
- **Small Business**
- **Look at ways to encourage the Small Businesses to move into MECS**
- **Critical Proposals and Apprenticeship programs/Non-Traditional outreach?**

- Allocate funds based on historical demand of these categories. This seemed to work very well this last year in terms of management and oversight of funds

Strategies

- Re-affirm or modify current Priority Industries:
 - Manufacturing/Food Production
 - Biotechnology/Life Sciences
 - Information Technology Services
 - Multi-media/Entertainment
 - Goods Movement & Transportation/Logistics
 - Agriculture
 - Allied Healthcare
 - Construction/Green/Clean Technologies

Strategies Continued

- Develop around Governor/Labor and Workforce Development Agency within each category: Investing in California's Workforce – Governors Budget
- Non Traditional Apprenticeship Programs
- Drought/Water reduction, Clean/Green Industries
- Critical Proposals/Business Expansion/Retention
- Vets, Special Populations
- High Speed Rail
- Job Creation
- Training that leads to industry recognized credentials
- www.etp.ca.gov

Strategies Continued

- Develop a “simple” way to work through proposals in the 15/16 year for determination of funding within each category:
 - Does it meet the Panel’s Priority Industries?
 - Does it meet the Governor’s Priorities?
 - Special Populations
 - Others?

Funding 15/16

- Phase in Funding by Category- Stagger Release Dates
 - Release 15/16 Funds to MECs and Apprenticeship Programs- April
 - Single Employers – May
 - Small Business – June
- Allows staff time to finish this year's backlog of contracts
- Funding is not all released at one time
- Continue to Update Panel on Fund Status by Category at each Meeting
- Restoring Caps

Current Funding Allocations

Project Type	Current Allocations	Remaining \$	Demand
MECs	\$19.7	\$7,213,957	\$3,947,889
Single Employers	\$51.5	\$14,810,431	\$14,366,150
Small Business	\$6.4	\$1,867,878	\$833,000
Critical Proposals	\$6.1	\$1,162,408	\$990,428
Apprenticeships	\$10.6	\$744,401	\$1,329,213
Totals	\$94.3	\$25,799,075	\$21,466,679 remaining \$4,332,396



Proposed Funding Allocations

Allocation by Category

- Single Employer: \$44,300,000 million
- MECs: \$19,782,779 million
- Small Business: \$6,500,000 million
- Critical Proposals: \$7,840,000 million
- Apprenticeship/non-traditional: \$12,078,779 million
- Total: \$90,501,558 Million

Continuation of 38% encumbrance level

Funding Caps

Contractor Category	Historical 13/14 Caps	Current 14/15 Caps	Proposed 15/16 Caps
MECs	\$1.25 M	\$650 K	\$950 K
MECs serving Small Business *	N/A	N/A	\$1.2 M*
Single Employers	\$850 K	\$425 K	\$750 K
Small Business	\$50 K	\$50 K	\$50 K
Critical Proposal	\$1.5 M	\$750 K	\$900 K
Apprenticeship – per sponsor	\$450 K	\$300 K	\$450 K
Single Employer Job Creation	\$700 K	N/A	N/A
Single Employer Job Creation & Retraining	\$1.5 M	N/A	N/A
Single Employer Multiple Locations	\$1.5 M	N/A	N/A

*Incentivize MECs to serve Small Business. MECs serving Small Business would serve a “substantial” number of Small Businesses. ETP to refer Small Businesses directly to MECs.



Questions

Panel Members Discussion

Public Comment