

Final Report for The Employment Training Panel

Prime Contractor Name: California Energy Commission

Contract Agreement Number: DE-EE0000221

Contract Term (reporting period): 11/23/09 – 1/30/12

Project Manager: Jill McAloon

Date Report Submitted: 5/11/12



ARRA SEP contracts have not been granted confidentiality status for any contract deliverables, therefore, the Final Report is a public document and must be completed before the contract termination date of the contract. The contractor should use the outline below to complete the report. Each contractor should receive approval from their Commission Contract Manager to ensure the Final Report meets the needs of each individual contract.

Final meetings between the contractor and the Energy Commission will be at the discretion of each Commission Contract Manager.

- (1) EXECUTIVE SUMMARY: Provide a brief description of the following: (no longer than 2 page)**
- a. Program background, including your approach to the project**
 - b. How project was organized**
 - c. The organizational structure under the contract, including a description of the prime and sub-contractors.**

In Fiscal Year 2009-10, the Employment Training Panel (ETP) and the California Energy Commission (CEC) entered a partnership via an Interagency Agreement (IA) to promote skills development and career advancement in the state's emerging green economy. For this purpose, ETP received \$5 million in federal funds under the American Recovery and Reinvestment Act (ARRA). From this appropriation, ETP retained \$500,000 for administrative costs.

The expenditure of ARRA funds was authorized pursuant to Control Section 28.50 under the State Budget Act for FY 2009-10. A new provision added in 2009 in ETP's enabling law, conveys authority to disburse funds from a source other than the Employment Training Tax, and exempts the Panel from rulemaking in setting program guidelines (UI Code Section 10214.6.).

By the terms of this partnership, ETP administered the Clean Energy Workforce Training Program (CEWTP) using its existing program infrastructure to the extent possible. ETP's workforce training program established at Section 10200 et seq. of the Unemployment Insurance Code and funded by the Employment Training Tax, ETP's workforce training program is performance-based, providing funds for trainees who successfully complete training and are retained in well-paying jobs for a specific period of time. The various California employers participating in CEWTP consisted of community colleges, training agencies, groups of employers, and single employers all of which are part of our existing program's core constituency of eligible employers. Projects were capped at \$500,000 for single employers and \$750,000 for Multiple Employer Contracts.

Training projects targeted placement for unemployed workers, or upgrading the skills of incumbent workers, in the following areas:

1. Jobs that reduce energy or water use in the building trades (e.g., retrofitting, green plumbing, efficient lighting installation)
2. Jobs that produce or transmit renewable energy (e.g., solar panel manufacturing / installation, smart grid installation)

The focus was on jobs in the service sector to include designing, installing, retrofitting, operating and maintaining green technology systems. Training for jobs in the manufacturing sector could also be funded, but green technology had to be the company's primary and ongoing product line. All jobs were required to be for workers with payroll reported in California.

Training leading directly to a certificate of competency was a priority under CEWTP, for both retraining and new-hire training. Examples of certification entities are: California Building Performance Contractors Association (CBPCA); California Home Energy Efficiency Rating Systems (CHEERS); and Leadership in Energy & Environmental Design (LEED) from the US Green Building Council.

In total, the Panel approved \$4,479,514 to train 3,443 workers in 14 contracts – encumbering all of its available federal funding for CEWTP.

- (2) **GOALS: Provide a “high level” comparison of *Original Goals and Objectives Established* in your contract to *Actual Accomplishments*, including brief reasons why goals were not met (barriers), if applicable. (no longer than 3 pages)**

Original Goals and Objectives

The main objective outlined in the IA between the California Energy Commission (Energy Commission) CEC and the Employment Training Panel (ETP), was to obtain services for the Clean Energy Workforce Training Program (CEWTP). The goal of the training program was to advance workers’ job skills in energy efficiency, water efficiency, and renewable energy (distributed generation and utility scale).

The training program focused on incumbent workers (retrainees) and new workforce entrants (new-hires), particularly construction workers.

ETP services may include but not be limited to:

- Developing a career advancement training program consistent with the program’s goal,
- Disburse funds to subcontractors for training services,
- Provide administrative support, and
- Provide data elements to meet federal reporting requirements

Actual Accomplishments

In accordance with the objectives and goals of the CEWTP/ARRA program, ETP received \$5 million (\$4.5 million in training funds and \$0.5 million for administrative costs) in SFY 2009-10 as requested in accordance with Control Section 28.50 of the 2009 Budget Act. Approval of the Section 28.50 provided ETP with reimbursable budget authority necessary for the expenditure of CEWTP funds.

To market the program, ETP collaborated with state and local chambers of commerce, economic development corporations, workforce investment boards and its external marketing partners (e.g. the Governor’s Office of Economic Development (GoED), the CA Community Colleges, the California Labor Federation, the CA Manufacturers and Technology Association).

ETP successfully approved and encumbered 14 contracts for \$4.5 million under the CEWTP program in SFY 2009-10.

We were successful at ensuring all of the following Deliverables as required by the IA were accomplished:

- Verified all contractor/subrecipients followed Federal requirements for (DUNS / CCR)

- Complied with Federal recovery guidelines
- Submitted Federal report– ARRA 1512 on a monthly basis to CEC
- Provided DOE reporting as requested by CEC
- Provided Fund and project Monitoring and reporting periodic progress and status of the projects
- Submitted Annual Reports

The CEC and ETP modified the program requirements to expand opportunities for contractors in the following areas:

- Additional training topics such as marketing skills, sales training, technical sales and other related curriculum topics.
- Inclusion of sole proprietors, independent contractors and county, city, or other governmental employees, e.g. local building inspectors, construction permit or licensing employees.
- Reduction of minimum training hours from 24 hours to 8 hours to facilitate contractor's flexibility in meeting training retention requirements.
- For new-hire training, which targets unemployed workers, a portfolio model was made available whereby contractors would be reimbursed 70% of the cost-per trainee upon completion of training. These earnings were not subject to repayment to ETP if trainee placement in employment failed. However, if trainees were successfully placed in employment and completed of the appropriate retention period, the contractor would earn the final 30% cost-per-trainee.

Barriers

Some contractors found performance difficult, while others have been superior performers. In January 2011, ETP disencumbered \$347,000 in funds from one contractor due to reduced activity in green construction. This disencumbrance left ETP with \$4,132,035 in available CEWTP funds in 14 projects.

Some of the challenges encountered in administering the CEWTP are based on feedback from CEWTP contractors:

- Loss of staff, who negotiated the ETP proposal, to continue guiding the contract
- Loss of training vendor
- Enrollments and certification of participating employers continued to be less than expected
- The solar market changed completely from the time the proposal was written to the time the project was implemented, reducing demand for training
- A number of layoffs occurred in solar installation companies, so there were fewer potential trainees to take advantage of the training, and the companies had less capital to pay for employee training
- The original target audience was too narrowly defined. The original target was people already employed in solar for refresher training. Later it was opened to non-

profit employers, waiver of out-of-state competition, and entrepreneurial/independent owners

- Our preferred policy for employers paying the full tuition upfront and then receiving a rebate later was a barrier to enrollment.
- Less than expected employer demand for training
- The initial cash outlay required from small businesses to pay vendors and the time required to reach various performance benchmarks and receive reimbursement reduced interest in the program.
- Competition in the clean energy training market with similar training being offered from other organizations which offered heavily subsidized training without the administrative reporting requirements under this program.
- Employer demand for training was impacted by the delay of programs providing homeowner incentives to retrofit their homes and limited geographical areas covered by programs that were implemented.

Due to continuing economic and management challenges, one contractor, Solyndra, filed for bankruptcy. Upon receipt of notice of bankruptcy, the ETP Fiscal Unit terminated the contract and disencumbered the funds. No ARRA funds were ever disbursed to Solyndra. Consequently, ETP was left with 13 CEWTP contracts.

ETP provided the CEC with periodic contract status reports for the CEWTP contracts. The contract status reports indicated the amount that contractor's were projected to earn based on the training hours completed by training participants.

On several occasions over the course of the IA agreement, the CEC decided to redirect some of ETP's unspent CEWTP funds to other projects to maximize utilization of ARRA funds. The reductions were completed by ETP upon the CEC's request. As a result, the training funds were reduced to \$2,972,548.

Closeout Summary

On December 31, 2011, the final retention period as well as all contract terms ended. The 13 remaining CEWTP contractors submitted their final closeout invoice to the ETP Fiscal Unit by the January 31, 2012 deadline.

As of March 30, 2012, all CEWTP contracts have been closed out. A total of 3,574 participants were trained under CEWTP. Out of \$2,972,548 in total contract value, \$2,578,937 was paid and verified as earned in 13 contracts with 3,166 placed trainees.

- (3) **ACCOMPLISHMENTS: *Actual Accomplishments under the Original Goals*** – provide a narrative of what was accomplished under the original goals, including but not limited to the following: **(no longer than 15 pages)**
- a. Describe activities undertaken
 - b. Describe any regional and/or county rebate or incentive programs
 - c. Describe any finance programs
 - d. Describe key program outcomes
 - e. Provide significant quantitative results, including but not limited to:
 - i. Number of retrofits completed
 - ii. Number and amount of regional and/or county incentives issued
 - iii. Average retrofit project cost to the property owner
 - iv. Average energy savings
 - v. Number of workers trained
 - vi. Number of jobs created (separate full-time and part-time)
 - vii. Number of audits/assessments completed (separate test-in and test-out)
 - viii. Number of loans originated, including average loan amount

*****Not Applicable for ETP*****

NOTE: This section shall not include any proprietary data or other information not subject to public release. If you have confidential information to report, include a note in the above narrative advising the reader to contact the Project Manager for further information.

- (4) **CONCLUSIONS: Provide a description of the following: (no more than 3 pages)**
- a. **Major findings or conclusions**
 - b. **Best Practices**
 - c. **Lessons Learned**

Once more, the ETP program is performance-based, providing funds for trainees who successfully complete training and are retained in well-paying jobs for a specific period of time. Usually, training funds are earned in the second half of the 24-month contract term; and training can be delivered throughout the term of the contract up until the 21st month. ETP monitors performance throughout the term.

In comparison, the ARRA funds provided via the CEWTP program were intended to be disbursed expeditiously to help stimulate the sluggish economy. ETP's core program infrastructure was not designed to operate as a grant in providing contractors a lump sum of money in exchange for participation or completion of a program or project. Training funds are only disbursed at specific intervals and are only earned after performance benchmarks are met and verified. Consequently, the urgency to have the ARRA funds disbursed as soon as possible made administering the CEWTP program challenging from ETP's performance-based program structure.

ETP does not collect personally identifiable information except as needed. This type of information includes, but is not limited to:

- Name
- Social Security Number
- A combination of information (e.g., birth date and zip code and gender)

As a result, the review of CEWTP contracts conducted by independent auditors may have been challenging, however, all requests were facilitated via ETP staff and Field Monitors. ETP made every effort to communicate promptly with the contractors to request data.

- (5) **TECHNOLOGY:** Describe any products produced or technology transfer activities accomplished during this reporting period, including but not limited to:
- a. Public release of project information: publications, conference papers or other public release of results
 - b. Web site or other internet sites that show results of this project
 - c. Networks or collaborations fostered
 - d. Technologies and techniques developed
 - e. Inventions or patent applications created
 - f. Other products, such as data or databases, physical collections, audio or video, software or net ware, models, educational aids or curricula, instruments or equipment

*****Not Applicable for ETP*****

No additional equipment was purchased. ETP used existing resources and infrastructure to carry out the goals and objectives of the CEWTP.

(6) DELIVERABLES: Provide a list deliverables under the contract, including a brief description, due date and date of delivery.

Deliverable	Brief Description	Due Date in Agreement	Date Delivered to CEC
Monthly ARRA Progress Report	<ul style="list-style-type: none"> ARRA Section 1512 Progress Report DOE SEP Progress Report 	3 days after the end of each month	<p>The ARRA reports were all delivered by or before the 3rd of each month.</p> <p>DOE SEP Progress Reports were submitted upon request.</p>
Annual Report <ul style="list-style-type: none"> Draft Final 	<p>The reports summarized all data in electronic spreadsheet and included performances information for workforce development and training, participant post service delivery outcomes, and other data, including but not limited to:</p> <ul style="list-style-type: none"> Total participant served, including demographics and services provided Participant outcome data including job placement, training, and other support services provided performance outcomes, and earnings. 	<p>Draft - 45 days after the end of the calendar year</p> <p>Final – 14 days after the delivery of the draft annual report</p>	<p>The 2010 Draft Annual Report was submitted on 3/2/11.</p> <p>The 2011 Draft Annual Report was submitted on 2/27/12.</p>
Final Report <ul style="list-style-type: none"> Draft Final 		<p>Draft Due– 6/01/12. Due date revised to 2/24/12.</p>	<p>The Draft Final Report was submitted on 3/2/12.</p>

--	--	--	--

***NOTE: If Date of Delivery to CEC is more than one month later than the original Due Date in Agreement, provide an explanation. ***

(7) **BUDGET:** Provide your approved budget under the contract, including budget category or deliverable, a brief description, budget amount and actual expenditure.

Budget Category or Deliverable	Brief Description	Budgeted	Actual Expenditure
ETP - CEWTP	Employment Training Panel – Training Expenditures	\$4.5 million	\$2,578,937
ETP - CEWTP	Employment Training Panel – Administrative Costs.	\$0.5 million	\$424,720.82
	<u>TOTAL</u>		\$3,003,657.82

***NOTE: If expenditure is off by 5% of the budgeted amount, please explain. ***