

# Alliance for ETP

*A non-profit corporation supporting the goals of the Employment Training Panel*

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March 18, 2002

## Comments from the Alliance for ETP to the Little Hoover Commission on the Governor's Reorganization Plan

The Alliance for ETP is a nonprofit organization of businesses, trade associations, and education institutions that has worked with the Employment Training Panel (ETP) for many years.

The Alliance supports the Governor's proposal to create a Labor and Workforce Development Agency. The Alliance believes the new agency offers a good beginning for reforms and improvements to the state's employment and training programs.

The Governor's initiative elevates training programs to a higher level within state government. Housing the designated training programs within a new agency offers an opportunity for more state leadership, greater cohesion, and tougher accountability. Training programs should be more visible to the Governor, senior members of the administration, and the Legislature when they are part of an agency with "Workforce Development" in its title, than they are as part of the much larger Health and Human Services Agency.

We strongly endorse the Governor's proposal to use the Performance Based Accountability or "Report Card" system to measure program performance. For 19 years the Employment Training Panel has demonstrated the practicality and effectiveness of the basic accountability measures contained in the Report Card system: Jobs after training and wages paid to trainees. We offer the following recommendations to the new agency and the Governor:

1. Use the Report Card to measure and compare program performance of all job training programs in the state. If a program's mission is jobs, then jobs and earnings should measure its success. There is data on 800,000 people in the Report Card system already and it is time to use the data to compare program results.
2. Simplify the Report Card so there is a single set of employment data. Now data is separately calculated for workers with poverty level incomes and above poverty incomes prior to training, making comparisons more difficult.
3. Move toward real time data. The lag time in collecting and reporting data is too long. (The latest data available is from 1997-98 trainees.)

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4. Publicize the data and make it easily available so the public, policy makers and program operators, can see the results. This increased scrutiny should serve to motivate the less successful programs to improve or risk being cut back or eliminated entirely.
5. Help agencies use the Report Card performance measures to re-shape their programs.

ETP has 19 years of experience allocating money through performance contracts in which a fixed fee is paid for every Californian trained and then retained on the job for at least 90 days after training. That is what results in ETP's high Report Card scores, and other programs should be required to devise similar systems so they can raise their scores.

ETP has demonstrated the effectiveness of its pay-for-results system for the training of incumbent workers, the unemployed, and welfare recipients. Successful ETP trainers include community colleges, proprietary schools, employer associations, and individual employers. The system works and should be applied broadly in the state's workforce development system.