

California's Employment Training Panel Extends COVID-19 Assistance

May 28, 2020

Overview of the Program

California created the Employment Training Panel (“ETP”) cash grant program in 1982 to provide funds to California businesses for job-related vocational skills training for businesses creating new jobs or retraining current workers. The program is funded by the Employment Training Tax (a payroll tax) paid by California employers. Since its inception in 1982, the ETP has provided over \$1 billion to California employers. Businesses wishing to receive ETP funds generally need to apply for a contract with the ETP.

The program provides cash grants up to \$650,000 to qualifying employers (\$26 per hour of training per employee). Employers train the employees, must meet certain requirements, must retain the employee for a fixed amount of time, and are typically reimbursed by the ETP upon completion of the training.

ETP's Response to COVID-19

The ETP acted quickly to respond to the COVID-19 pandemic in March 2020. While the program originally was more limited in scope (*e.g.*, types or size of companies, certain industries, etc.), the ETP implemented several adjustments for companies with currently active ETP contracts in response to the pandemic. Those companies with active contracts can:

- Extend the contract term end date in 90 day installments (if within the last 6 months of term)
- Request an alternate retention period – the default is 90 straight days of full-time employment (if within the last 6 months of term)
- Request reduced hours to qualify as “full-time employment” – can be reduced from 40 hours per week to as low as 20 hours per week (if within the last 6 months of term)
- Request that telephone conference, videoconference, and other e-learning training sessions qualify for ETP program requirements
- Request to lower the minimum training hours to 2 hours
- Request to waive caps on the amount of certain types of training to increase available funds for the company

The ETP is also expediting the process for companies in industries that Governor Newsom has declared as essential, and is working to expedite cash payments through its accelerated payment request and reimbursement request system. The goal of the program can be summarized as wanting to get cash grants to qualifying employees faster by providing an expedited process and reducing requirements to increase the number of companies that are eligible.

Extension of the Program

The program initially was set to expire in July 2020. However, at the May ETP meeting earlier this month, the ETP extended the program through December 2020. California employers now have an additional 6 months (now December 31, 2020) to submit applications to participate in the expanded ETP program. Any California employer wishing to secure funding from the ETP should determine whether it meets the eligibility requirements, qualifies for priority eligibility (*e.g.*, certain industries, etc.) and begin the application process as soon as possible.

If we can be of assistance or you have questions about these rapidly evolving developments, please contact the attorney listed below or your Buchalter attorney.

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