

AMENDED IN ASSEMBLY AUGUST 15, 2011

AMENDED IN ASSEMBLY JUNE 15, 2011

SENATE BILL

No. 776

Introduced by Senator DeSaulnier

February 18, 2011

An act to add Section 14211 to the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

SB 776, as amended, DeSaulnier. ~~Local-State and local~~ workforce investment boards: funding.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law establishes the California Workforce Investment Board (CWIB), and specifies that the CWIB is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified, and establishes local workforce investment boards to perform various duties related to the implementation and coordination of local workforce investment activities.

This bill would require local workforce investment boards to spend a certain percentage of available federal funds for adults and dislocated workers on ~~direct client services~~, workforce training programs; ~~supportive services~~, and ~~other specified services~~ in a manner consistent with federal law, as prescribed.

Existing law prescribes the duties of the ~~board~~ CWIB with regard to the development and implementation of local workforce investment plans, as specified.

This bill would *authorize the CWIB to raise specified minimum expenditures. This bill would* require a local workforce investment board that does not meet the expenditure requirements described above to provide the Employment Development Department with a corrective action plan regarding those expenditures, *and would also make that local workforce investment board ineligible to receive certain discretionary funding.*

Because the bill imposes new duties on local government workforce investment boards, it would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement shall be made pursuant to these statutory provisions for costs mandated by the state pursuant to this act, but would recognize that local agencies and school districts may pursue any available remedies to seek reimbursement for these costs.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14211 is added to the Unemployment
- 2 Insurance Code, to read:
- 3 14211. (a) (1) Beginning federal program year 2012, at least
- 4 20 percent of funds available under Title I of the federal Workforce
- 5 Investment Act of 1998 (Public Law 105-220) provided to local
- 6 workforce investment boards for adults and dislocated workers
- 7 shall be spent on workforce training programs, ~~support services~~
- 8 ~~for those enrolled in training, and specified bridge services such~~
- 9 ~~as academic remediation services that prepare clients for training.~~
- 10 ~~Only expenditures enumerated in paragraphs (4) to (6), inclusive,~~
- 11 ~~shall count toward this minimum.~~
- 12 (2) Beginning federal program year ~~2014~~ 2016, at least ~~30~~ 25
- 13 percent of funds available under Title I of the federal Workforce
- 14 Investment Act of 1998 (Public Law 105-220) provided to local
- 15 workforce investment boards for adults and dislocated workers

1 shall be spent on workforce training programs, support services
2 for those enrolled in training, and specified bridge services such
3 as academic remediation services that prepare clients for training.
4 Only expenditures enumerated in paragraphs (4) to (6), inclusive,
5 shall count toward this minimum.

6 ~~(3) Beginning federal program year 2016, at least 40 percent of~~
7 ~~funds available under Title I of the federal Workforce Investment~~
8 ~~Act of 1998 (Public Law 105-220) provided to local workforce~~
9 ~~investment boards for adults and dislocated workers shall be spent~~
10 ~~on workforce training programs, support services for those enrolled~~
11 ~~in training, and specified bridge services such as academic~~
12 ~~remediation services that prepare clients for training. Only~~
13 ~~expenditures enumerated in paragraphs (4) to (6), inclusive, shall~~
14 ~~count toward this minimum.~~ *on workforce training programs.*

15 ~~(4) (A)~~

16 (3) Expenditures that shall count toward the minimum
17 *percentage of funds* required by paragraphs (1) to (3), inclusive,
18 ~~include:~~ *and (2) shall include only training services as defined in*
19 *Section 2864(d)(4)(D) of Title 29 of the United States Code and*
20 *Section 663.508 of Title 20 of the Code of Federal Regulations,*
21 *including all of the following:*

22 (A) *Occupational skills training, including training for*
23 *nontraditional employment.*

24 (B) *On-the-job training.*

25 (C) *Programs that combine workplace training with related*
26 *instruction, which may include cooperative education programs.*

27 (D) *Training programs operated by the private sector.*

28 (E) *Skill upgrading and retraining.*

29 (F) *Entrepreneurial training.*

30 (G) *Job readiness training.*

31 (H) *Adult education and literacy activities provided in*
32 *combination with services described in any of subparagraphs (A)*
33 *to (G), inclusive.*

34 (I) *Customized training conducted with a commitment by an*
35 *employer or group of employers to employ an individual upon*
36 *successful completion of the training.*

37 ~~(i) Services defined as training under Section 2864(d)(4)(D) of~~
38 ~~Title 29 of the United States Code and Section 663.508 of Title~~
39 ~~20 of the Code of Federal Regulations.~~

1 (ii) Supportive services, as defined in Sections 2801(46) and
2 2864(e)(2)-(3) of Title 29 of the United States Code, including
3 needs-related payments for books, training materials, and tuition
4 relevant to training programs.

5 (iii) Academic remediation and English-as-a-second-language
6 services.

7 (iv) Prevocational services offered in combination with
8 occupational skills, including occupational bridge programs that
9 blend workplace competencies, career exploration, and basic
10 literacy in an occupational context.

11 (v) Work experience and internships.

12 (vi) The amount paid from Workforce Investment Act dislocated
13 worker and adult formula funds for competitively bid contracts
14 for innovative industry sector training initiative involving multiple
15 partners, including, but not limited to, business, labor, and public
16 education entities.

17 (B) All monetary amounts paid for innovative industry sector
18 training contracts allowed as a permissible training expenditure
19 under subparagraph (A), must be reasonable and necessary for the
20 training of those persons enrolled in the training program funded
21 by the contract.

22 (5) Supportive services must be provided in accordance with
23 the relevant federal regulations (20 C.F.R. 663.800 to 663.840,
24 inclusive). Supportive services shall only count toward the
25 minimum required by paragraphs (1) to (3), inclusive, if the
26 individuals receiving these services are enrolled in training or
27 qualify under Section 663.830 of Title 20 of the Code of Federal
28 Regulations.

29 (6) Prevocational services and occupational bridge programs
30 qualifying under paragraph (4) must target one or more of the
31 following for consideration as an allowable training expenditure:
32 low-skilled low-income adults unprepared to enter postsecondary
33 occupational programs; adult education students who do not score
34 high enough to enter postsecondary occupational programs; career
35 development content, if the focus of the program is on academic
36 remediation and occupational skills development.

37 (7) Intensive services, as defined under Section 2964(d)(3)(C)
38 of Title 29 of the United States Code and Section 663.200 of Title
39 20 of the Code of Federal Regulations and other applicable
40 regulations, shall not be counted toward the minimum training

1 expenditure, except for those provided for in paragraphs (4) to (6),
2 inclusive.

3 ~~(8) Services defined as core services under Section 2864(d)(2)~~
4 ~~of Title 29 of the United States Code and Section 663.150 or~~
5 ~~663.165 of Title 20 of the Code of Federal Regulations and other~~
6 ~~applicable regulations shall not be counted toward the minimum~~
7 ~~training expenditures.~~

8 (b) Beginning program year 2012, the Employment
9 Development Department shall calculate for each local workforce
10 investment board, within six months after the end of the second
11 program year of the two-year period of availability for expenditure
12 of federal Workforce Investment Act *of 1998* funds, whether the
13 local workforce investment board met the requirements of
14 subdivision (a). The Employment Development Department shall
15 provide to each local workforce investment board its individual
16 calculations with respect to the expenditure requirements of
17 subdivision (a).

18 (c) A local workforce investment area that does not meet the
19 requirements of subdivision (a) shall submit a corrective action
20 plan to the Employment Development Department that provides
21 reasons for not meeting the requirements and describes actions
22 taken to address the identified expenditure deficiencies. A local
23 workforce investment area shall provide a corrective action plan
24 to the Employment Development Department pursuant to this
25 section within 90 days of receiving the calculations described in
26 subdivision (b).

27 ~~(d) In federal program year 2015, the California Workforce~~
28 ~~Investment Board shall use existing resources to evaluate the~~
29 ~~effectiveness of the training expenditure mandates contained in~~
30 ~~this section, including the increase in the number of individuals~~
31 ~~receiving some training services, as defined, and training-related~~
32 ~~placements.~~

33 *(d) A local workforce investment area that does not meet the*
34 *requirements of subdivision (a) shall not be eligible to receive any*
35 *portion of the state's 15-percent discretionary fund authorized by*
36 *the federal Workforce Investment Act of 1998, pursuant to Section*
37 *2853(a)(1) of Title 29 of the United States Code.*

38 (e) For the purpose of this section, "program year" has the same
39 meaning as provided in the Section 667.100 of Title 20 of the Code
40 of Federal Regulations.

1 (f) *The California Workforce Investment Board shall have the*
2 *authority to raise the statutory minimum percent rate required by*
3 *paragraphs (1) and (2) of subdivision (a).*

4 SEC. 2. No reimbursement shall be made pursuant to Part 7
5 (commencing with Section 17500) of Division 4 of Title 2 of the
6 Government Code for costs mandated by the state pursuant to this
7 act. It is recognized, however, that a local agency or school district
8 may pursue any remedies to obtain reimbursement available to it
9 under Part 7 (commencing with Section 17500) and any other
10 provisions of law.

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