

Introduced by Senator LieuFebruary 24, 2012

An act to amend Sections 14000, 14005, 14010, 14013, and 14020 of the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1401, as introduced, Lieu. Unemployment insurance: education and workforce investment systems.

Existing law provides that the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law further provides that the board must assist the Governor in targeting resources to specified high-wage industry sectors and providing guidance to ensure that services reflect the needs of those sectors.

This bill would provide that the board is also responsible for assisting the Governor in the alignment of the education and workforce investment systems to the needs of the 21st century workforce and the promotion and development of a well-educated and highly skilled 21st century workforce. This bill would require the board to assist the Governor in targeting resources to specified high-wage industry clusters and leverage state and federal funds to ensure that resources are invested in activities that meet the needs of specified industry sectors and advance the education and employment of students and workers so they can meet the specified needs of the state, its regional economies, and leading industry sectors.

Existing law requires the board, in collaboration with specified state and local partners, and the local workforce investment boards to develop

a specified strategic workforce plan, updated at least every 5 years, to address the state’s economic, demographic, and workplace needs and to meet the single state plan requirement of the Workforce Investment Act of 1998.

This bill would require, as part of the strategic workforce plan, the creation of a California Industry Sector Initiative that will accomplish specified tasks, including aligning and leveraging state and local Workforce Investment Act funding streams, identifying specified industry sectors and clusters, providing skills-gap analysis, and establishing specified eligibility criteria for the Workforce Investment Act eligible training provider list.

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

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

1 SECTION 1. Section 14000 of the Unemployment Insurance
 2 Code is amended to read:
 3 14000. (a) The Legislature finds and declares that, in order
 4 for California to remain prosperous and globally competitive, it
 5 needs to have a *well-educated and* highly skilled workforce.
 6 (b) The Legislature ~~recognizes all of the following~~ *finds and*
 7 *declares that the following principles shall guide the state’s*
 8 *workforce investment system:*
 9 (1) ~~California must transform its current job training, job~~
 10 ~~placement, and vocational education programs into an integrated,~~
 11 ~~accessible, and accountable workforce investment system that can~~
 12 ~~effectively serve job seekers, students, and employers.~~
 13 (2) ~~California’s workforce investment system must provide~~
 14 ~~lifelong learning for all Californians, promote self-sufficiency,~~
 15 ~~link education and training to economic development, and prepare~~
 16 ~~California to successfully compete in the global economy.~~
 17 (3) ~~The programs described in paragraphs (1) and (2) must be~~
 18 ~~accessible to all Californians, including persons with economic,~~
 19 ~~physical, or other barriers to employment.~~
 20 (1) *Workforce investment programs and services shall be*
 21 *responsive to the needs of employers, workers, and students by*
 22 *accomplishing the following:*
 23 (A) *Preparing California’s students and workers with the skills*
 24 *necessary to successfully compete in the global economy.*

1 (B) Producing greater numbers of individuals who obtain
2 industry recognized certificates and degrees in competitive and
3 emerging industry sectors and filling critical labor market skills
4 gaps.

5 (C) Adapting to the rapidly changing labor market as specific
6 workforce skill requirements change over time.

7 (D) Preparing workers for good paying jobs that foster
8 economic self-sufficiency and upward mobility.

9 (2) Workforce investment programs and services shall
10 collaborate with other public institutions, including K-12 career
11 technical education and adult basic education programs,
12 community college career technical education and basic skills
13 programs, the Economic and Workforce Development program of
14 the Chancellor's office, and the Employment Training Panel, to
15 better align resources across workforce education and training
16 service delivery systems and build a well-articulated workforce
17 investment system by accomplishing the following:

18 (A) Adopting local and regional training and education
19 strategies that build on the strengths and fill the gaps in the
20 education and workforce development pipeline.

21 (B) Leveraging resources across education and workforce
22 training delivery systems to build career pathways and fill critical
23 skills gaps.

24 (3) Workforce investment programs and services shall be
25 data-driven and evidence-based, setting priorities, investing
26 resources, and adopting practices on the basis of what works.

27 (4) Workforce investment programs and services shall develop
28 strong partnerships with the private sector, ensuring industry
29 involvement in needs assessment, planning, and program
30 evaluation.

31 (5) Workforce investment programs and services shall be
32 outcome-oriented and accountable, measuring results for program
33 participants, including, but not limited to, outcomes related to
34 program completion, employment, and earnings.

35 (6) Programs and services shall be accessible to employers,
36 workers, and students who may benefit from their operation,
37 including persons with economic, physical, or other barriers to
38 employment.

39 SEC. 2. Section 14005 of the Unemployment Insurance Code
40 is amended to read:

1 14005. For purposes of this division:

2 (a) “Board” shall mean the California Workforce Investment
3 Board.

4 (b) “Agency” means the Labor and Workforce Development
5 Agency.

6 ~~(c) “Workforce Investment Act of 1998” means the federal act
7 enacted as Public Law 105-220.~~

8 (c) “Career pathways,” “career ladders,” or “career lattices”
9 mean an identified series of positions, work experiences, or
10 educational benchmarks or credentials that offer occupational
11 and financial advancement within a specified career field or related
12 fields over time.

13 (d) “Cluster-based sector strategies” means methods of focusing
14 workforce and economic development on those sectors that have
15 demonstrated a capacity for economic growth and job creation in
16 a particular geographic area.

17 (e) “High-priority occupations” mean occupations that have a
18 significant presence in a targeted industry sector or industry
19 cluster, are in demand by employers, and pay or lead to payment
20 of high wage.

21 (f) “Industry cluster” means a geographic concentration or
22 emerging concentration of interdependent industries with direct
23 service, supplier, and research relationships, or independent
24 industries that share common resources in a given regional
25 economy or labor market. An industry cluster is a group of
26 employers closely linked by common product or services, workforce
27 needs, similar technologies, and supply chains in a given regional
28 economy or labor market.

29 (g) “Industry sector” means those firms that produce similar
30 products or provide similar services using somewhat similar
31 business processes.

32 ~~(h)~~

33 (h) “Local labor federation” means a central labor council that
34 is an organization of local unions affiliated with the California
35 Labor Federation or a local building and construction trades council
36 affiliated with the State Building and Construction Trades Council.

37 (i) “Sector strategies” means methods of prioritizing investments
38 in competitive and emerging industry sectors and industry clusters
39 on the basis of labor market and other economic data indicating

1 *strategic growth potential, especially with regard to jobs and*
2 *income, and exhibit the following characteristics:*

3 (1) *Focus workforce investment in education and workforce*
4 *training programs that are likely to lead to high-wage jobs or to*
5 *an entry level job with a well-articulated career pathway into a*
6 *high-wage job.*

7 (2) *Effectively boost labor productivity or reduce business*
8 *barriers to growth and expansion stemming from workforce supply*
9 *problems, including skills gaps, and occupational shortages by*
10 *directing resources and making investments to plug skills gaps*
11 *and provide education and training programs for high-priority*
12 *occupations.*

13 (3) *May be implemented using articulated career pathways or*
14 *lattices and a system of stackable credentials.*

15 (4) *May target underserved communities, disconnected youths,*
16 *incumbent workers, and recently separated military veterans.*

17 (j) *“Workforce Investment Act of 1998” means the federal act*
18 *enacted as Public Law 105-220.*

19 SEC. 3. Section 14010 of the Unemployment Insurance Code
20 is amended to read:

21 14010. The California Workforce Investment Board is the body
22 responsible for assisting the Governor in the development,
23 oversight, and continuous improvement of California’s workforce
24 investment system *and the alignment of the education and*
25 *workforce investment systems to the needs of the 21st century*
26 *workforce.*

27 SEC. 4. Section 14013 of the Unemployment Insurance Code
28 is amended to read:

29 14013. The board shall assist the Governor in the following:

30 (a) Promoting the development of a well-educated and highly
31 skilled *21st century* workforce.

32 (b) Developing the State Workforce Investment Plan.

33 (c) Developing guidelines for the continuous improvement and
34 operation of the workforce investment system, including:

35 (1) Developing policies to guide the one-stop system.

36 (2) Providing technical assistance for the continuous
37 improvement of the one-stop system.

38 (3) Recommending state investments in the one-stop system.

39 (4) Targeting resources to high-wage *competitive and emerging*
40 *industry sectors and industry clusters* that are either high-growth

1 sectors or critical to California's economy, or both. *These industry*
2 *sectors and clusters shall have significant economic impacts on*
3 *the state and its regional and local areas, have immediate*
4 *education and workforce development needs, and have documented*
5 *career opportunities.*

6 (d) Developing and continuously improving the statewide
7 workforce investment system as delivered via the one-stop delivery
8 system, including:

9 (1) Developing linkages in order to assure coordination and
10 nonduplication among workforce programs and activities.

11 (2) Reviewing local workforce investment plans.

12 (3) ~~Providing guidance to ensure services reflect the needs of~~
13 ~~high-wage industry sectors~~ *Leveraging state and federal funds to*
14 *ensure that resources are invested in activities that meet the needs*
15 *of the state's competitive and emerging industry sectors and*
16 *advance the education and employment needs of students and*
17 *workers so they can keep pace with the education and skill needs*
18 *of the state, its regional economies, and leading industry sectors.*

19 (e) Commenting, at least once annually, on the measures taken
20 pursuant to the Carl D. Perkins Vocational and Applied Technology
21 Education Act Amendments of 1990 (~~Public~~ *Public* Law 101-392;
22 20 U.S.C. Sec. 2301 et seq.).

23 (f) Designating local workforce investment areas within the
24 state based on information derived from all of the following:

25 (1) Consultations with the Governor.

26 (2) Consultations with the chief local elected officials.

27 (3) Consideration of comments received through the public
28 comment process, as described in Section 112(b)(9) of the federal
29 Workforce Investment Act of 1998.

30 (g) Developing and modifying allocation formulas, as necessary,
31 for the distribution of funds for adult employment and training
32 activities, for youth activities to local workforce investment areas,
33 and dislocated worker employment and training activities, as
34 permitted by federal law.

35 (h) Coordinating the development and continuous improvement
36 of comprehensive state performance measures, including state
37 adjusted levels of performance, to assess the effectiveness of the
38 workforce investment activities in the state.

39 (i) Preparing the annual report to the United States Secretary of
40 Labor.

1 (j) Recommending policy for the development of the statewide
2 employment statistics system, including workforce and economic
3 data, as described in Section 15 of Title 29 of the United States
4 Code, and using, to the fullest extent possible, the Employment
5 Development Department’s existing labor market information
6 systems.

7 (k) Recommending strategies to the Governor for strategic
8 training investments of the Governor’s 15-percent discretionary
9 funds.

10 (l) Developing and recommending waivers, in conjunction with
11 local workforce investment boards, to the Governor as provided
12 for in the federal Workforce Investment Act of 1998.

13 (m) Recommending policy to the Governor for the use of the
14 25-percent rapid response funds, as authorized under the federal
15 Workforce Investment Act of 1998.

16 (n) Developing an application to the United States Department
17 of Labor for an incentive grant under Section 9273 of Title 20 of
18 the United States Code.

19 SEC. 5. Section 14020 of the Unemployment Insurance Code
20 is amended to read:

21 14020. (a) The California Workforce Investment Board, in
22 collaboration with state and local partners, including the Chancellor
23 of the California Community Colleges, the State Department of
24 Education, other appropriate state agencies, and local workforce
25 investment boards, shall develop a strategic workforce plan to
26 serve as a framework for the development of public policy, fiscal
27 investment, and operation of all state labor exchange, workforce
28 education, and training programs to address the state’s economic,
29 demographic, and workforce needs. The strategic workforce plan
30 shall also serve as the framework for the single state plan required
31 by the Workforce Investment Act of 1998. The plan shall be
32 updated at least every five years.

33 (b) *The state shall develop a California Industry Sector Initiative*
34 *that will serve as the cornerstone of the state plan and provide a*
35 *framework for state workforce investments.*

36 (c) *The California Workforce Investment Board shall work*
37 *collaboratively with state and local partners to identify ways to*
38 *eliminate systemwide barriers and better align and leverage state*
39 *and local Workforce Investment Act funding streams and policies*
40 *to develop, support, and sustain regional alliances of employers*

1 *and workforce and education professionals who are working to*
2 *improve the educational pipeline, establish well-articulated career*
3 *pathways, provide industry-recognized credentials and certificates,*
4 *and address the career advancement needs of current and future*
5 *workers in competitive and emergent industry sectors and clusters.*
6 *The California Workforce Investment Board and its partners shall*
7 *work collaboratively to maximize state and local investments and*
8 *pursue other resources to address the skills-gap needs identified*
9 *pursuant to paragraph (3) of subdivision (d).*

10 *(d) In order to support the requirement of the plans in*
11 *subdivision (a), the California Workforce Investment board shall*
12 *do the following:*

13 *(1) Annually identify industry sectors and industry clusters that*
14 *have a competitive economic advantage and demonstrated*
15 *economic importance to the state, its regional economies, and*
16 *local workforce investment areas.*

17 *(2) Annually identify new dynamic emergent industry sectors*
18 *and industry clusters with substantial potential to generate new*
19 *jobs and income growth for the state, its regional economies, and*
20 *local workforce investment areas.*

21 *(3) Provide an annual skills-gap analysis enumerating*
22 *occupational and skills shortages in the industry sectors and*
23 *industry clusters identified as having strategic importance to the*
24 *state's economy, its regional economies, and local workforce*
25 *investment areas. This skills-gap analysis shall use labor market*
26 *data to specify a list of high-priority in-demand occupations for*
27 *the state, its regional economies, and its local workforce investment*
28 *areas. This list shall be used to inform investment decisions and*
29 *eligible training provider policies.*

30 *(4) Establish initial and subsequent eligibility criteria for the*
31 *Workforce Investment Act eligible training provider list that*
32 *effectively directs training resources into training programs*
33 *leading to employment in high-demand, high-priority, and*
34 *high-wage occupations, particularly those facing a shortage of*
35 *skilled workers. At a minimum these criteria shall consider the*
36 *following:*

37 *(A) The relevance of the training program to the workforce*
38 *needs of the state's strategic industry sectors and industry clusters.*

1 (B) *The need to plug skills gaps and skills shortages in the*
2 *economy, including skills gaps and shortages at the state and*
3 *regional level.*

4 (C) *The need to plug skills gaps and skills shortages in local*
5 *workforce investment areas.*

6 (D) *The likelihood that the training program will lead to job*
7 *placement in a high-wage job or job placement in an entry level*
8 *job that has a well-articulated career pathway or career ladder*
9 *to a high-wage job.*

10 (E) *The need for basic skills and bridge training programs that*
11 *provide access to occupational skills training for those who would*
12 *otherwise be unable to enter occupational skills training.*

13 (F) *If the state receives a waiver from the federal subsequent*
14 *eligibility provisions specified in the federal Workforce Investment*
15 *Act, the state workforce investment board shall establish its own*
16 *subsequent eligibility criteria that take into account all of the*
17 *criteria specified in subparagraphs (A), (B), (C), (D), and (E).*