

Assembly Bill No. 285

Passed the Assembly August 26, 2013

Chief Clerk of the Assembly

Passed the Senate August 19, 2013

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2013, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 18000 of the Business and Professions Code, and to amend Section 14013 of, and to add Sections 14001 and 14013.2 to, the Unemployment Insurance Code, relating to microenterprises.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, Brown. Microenterprises: economic development.

(1) Existing law encourages local governments as well as California communities and the public agencies that serve them to promote development of a microenterprise, as defined.

This bill would revise the definition of a microenterprise.

(2) The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Under existing law, 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 requires the board, among other things, to assist the Governor with promoting the development of a well-educated and highly skilled workforce and developing the State Workforce Investment Plan.

This bill would express findings and declarations of the Legislature with respect to the self-employment workforce in the state, and the importance of all Californians having the opportunity to receive the training for entrepreneurial and self-employment provided for under the federal act.

This bill would additionally require the board to assist the Governor by developing specified guidelines for certain high-wage industry sectors and making recommendations on how to target resources to specified high-wage industry sectors, and by recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment board programs as authorized under the federal act.

(3) The bill would also require the board, by January 1, 2015, to develop and distribute guidelines, or provide other assistance

to, local workforce investment boards to help them implement entrepreneurial and self-employment training programs.

(4) This bill would incorporate additional changes to Section 14013 of the Unemployment Insurance Code proposed by Senate Bill 118 that would become operative if this bill and Senate Bill 118 are enacted and this bill is enacted last.

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

SECTION 1. Section 18000 of the Business and Professions Code is amended to read:

18000. (a) For purposes of this part, “microenterprise” means a sole proprietorship, partnership, limited liability company, or corporation that meets all of the following requirements:

(1) Has five or fewer employees, including the owner, who may be employed part time or full time.

(2) Generally lacks sufficient access to conventional loans, equity, or other banking services.

(b) For purposes of this part, “microenterprise development provider” means a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to an individual seeking to become self-employed or to a microbusiness seeking to expand its current business.

SEC. 2. Section 14001 is added to the Unemployment Insurance Code, to read:

14001. The Legislature finds and declares the following:

(a) Nearly one-third of California’s workforce is comprised of independent and self-employed workers, including entrepreneurs, contractors, independent consultants, and home-based businesses.

(b) The self-employed workforce in California has grown by over 100 percent in the last 15 years.

(c) The federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.) provides that states should offer training and workforce development services through state and local workforce investment boards. In fulfilling these duties, it is important that all Californians have the opportunity to receive entrepreneurial and self-employment training, as well as other training that can help them successfully work for others.

(d) It is the policy of the State of California, to the extent feasible, to provide individuals with the opportunity to learn skills

needed to pursue self-employment opportunities in order to provide a stable income for them and their families.

SEC. 3. Section 14013 of the Unemployment Insurance Code is amended to read:

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

(a) Promoting the development of a well-educated and highly skilled workforce.

(b) Developing the State Workforce Investment Plan.

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

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

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

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

(4) Providing guidance to ensure services reflect the needs of high-wage industry sectors.

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

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

(2) Reviewing local workforce investment plans.

(3) Making recommendations on how to target resources to high-wage industry sectors that are either high-growth sectors or critical to California's economy, or both.

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

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

(1) Consultations with the board.

(2) Consultations with the chief local elected officials.

(3) Consideration of comments received through the public comment process, as described in Section 112(b)(9) of the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2822(b)(9)).

(g) Developing and modifying allocation formulas, as necessary, for the distribution of funds for adult employment and training activities, for youth activities to local workforce investment areas,

and dislocated worker employment and training activities, as permitted by federal law.

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

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

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

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

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

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

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

(o) Recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through programs of local workforce investment boards as authorized under the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.).

SEC. 3.5. Section 14013 of the Unemployment Insurance Code is amended to read:

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

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

(b) Developing the State Workforce Investment Plan.

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

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

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

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

(4) Targeting resources to competitive and emerging industry sectors and industry clusters that provide economic security and are either high-growth sectors or critical to California's economy, or both. These industry sectors and clusters shall have significant economic impacts on the state and its regional and workforce development needs, and have documented career opportunities.

(5) Providing guidance to ensure services reflect the needs of high-wage industry sectors.

(6) To the extent permissible under state and federal laws, recommending youth policies and strategies that support linkages between kindergarten and grades 1 to 12, inclusive, and community college educational systems and youth training opportunities in order to help youth secure educational and career advancement. These policies and strategies may be implemented using a sector strategies framework and should ultimately lead to placement in a job providing economic security or job placement in an entry-level job that has a well-articulated career pathway or career ladder to a job providing economic security.

(7) To the extent permissible under state and federal law, recommending adult and dislocated worker training policies and investments that offer a variety of career opportunities while upgrading the skills of California's workforce. These may include training policies and investments pertaining to any of the following:

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

(B) On-the-job training.

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

(D) Training programs operated by the private sector.

(E) Skill upgrading and retraining.

(F) Entrepreneurial training.

(G) Job readiness training.

(H) Adult education and literacy activities provided in combination with any of the services described in this paragraph.

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

(d) Developing and continuously improving the statewide workforce investment system as delivered via the one-stop delivery system and via other programs and services supported by funding from the federal Workforce Investment Act of 1998, including:

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

(2) Reviewing local workforce investment plans.

(3) Leveraging state and federal funds to ensure that resources are invested in activities that meet the needs of the state's competitive and emerging industry sectors and advance the education and employment needs of students and workers so they can keep pace with the education and skill needs of the state, its regional economies, and leading industry sectors.

(4) Making recommendations on how to target resources to high-wage industry sectors that are either high-growth sectors or critical to California's economy, or both.

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

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

(1) Consultations with the board.

(2) Consultations with the chief local elected officials.

(3) Consideration of comments received through the public comment process, as described in Section 112(b)(9) of the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2822(b)(9)).

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

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

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

(j) Recommending policy for the development of the statewide employment statistics system, including workforce and economic

data, as described in Section 15 of Title 29 of the United States Code, and using, to the fullest extent possible, the Employment Development Department's existing labor market information systems.

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

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

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

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

(o) Recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through programs of local workforce investment boards as authorized under the federal Workforce Investment Act of 1998 (29 U.S.C. Sec. 2801 et seq.).

SEC. 4. Section 14013.2 is added to the Unemployment Insurance Code, to read:

14013.2. By January 1, 2015, the California Workforce Investment Board shall develop and distribute guidelines or provide other assistance, or both, to local workforce investment boards to help them implement entrepreneurial and self-employment training programs. In the development of these guidelines or other assistance, the board may consult with state agencies and small business-related associations, as appropriate.

SEC. 5. Section 3.5 of this bill incorporates amendments to Section 14013 of the Unemployment Insurance Code proposed by both this bill and Senate Bill 118. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2014, (2) each bill amends Section 14013 of the Unemployment Insurance Code, and (3) this bill is enacted after Senate Bill 118, in which case Section 3 of this bill shall not become operative.

Approved _____, 2013

Governor