

ASSEMBLY BILL

No. 1910

Introduced by Assembly Member Gray

February 19, 2014

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1910, as introduced, Gray. Unemployment insurance: education and workforce investment systems.

Existing law declares that a well-educated and highly skilled workforce is necessary for the state to remain competitive in the global economy and that workforce investment programs and services need to work collaboratively with state and local entities to accomplish this policy goal.

Existing law provides that the California Workforce Investment Board is responsible for assisting the Governor in, among other things, the development, oversight, and continuous improvement of California's workforce investment system. 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. In that regard, the board aligns and leverages state and local Workforce Investment Act funding streams, identifies specified industry sectors and clusters, provides skills-gap analysis, and establishes specified eligibility criteria for the Workforce Investment Act eligible training provider list.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no. 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 finds and declares that *all of* the following
7 principles shall guide the state’s workforce investment system:
8 (1) Workforce investment programs and services shall be
9 responsive to the needs of employers, workers, and students by
10 accomplishing the following:
11 (A) Preparing California’s students and workers with the skills
12 necessary to successfully compete in the global economy.
13 (B) Producing greater numbers of individuals who obtain
14 industry-recognized certificates and degrees in competitive and
15 emerging industry sectors and filling critical labor market skills
16 gaps.
17 (C) Adapting to rapidly changing local and regional labor
18 markets as specific workforce skill requirements change over time.
19 (D) Preparing workers for good-paying jobs that foster economic
20 security and upward mobility.
21 (2) State and local workforce investment boards are encouraged
22 to collaborate with other public and private institutions, including
23 businesses, unions, nonprofit organizations, kindergarten and
24 grades 1 to 12, inclusive, career technical education programs,
25 adult career technical education and basic skills programs,
26 community college career technical education and basic skills
27 programs, entrepreneurship training programs, where appropriate,
28 the California Community Colleges Economic and Workforce
29 Development Program, and the Employment Training Panel, to
30 better align resources across workforce education and training
31 service delivery systems and build a well-articulated workforce
32 investment system by accomplishing the following:

1 (A) Adopting local and regional training and education strategies
2 that build on the strengths and fill the gaps in the education and
3 workforce development pipeline in order to address the needs of
4 job seekers, workers, and employers within regional labor markets
5 by supporting sector strategies.

6 (B) Leveraging resources across education and workforce
7 training delivery systems to build career pathways and fill critical
8 skills gaps.

9 (3) Workforce investment programs and services shall be data
10 driven and evidence based when setting priorities, investing
11 resources, and adopting practices.

12 (4) Workforce investment programs and services shall develop
13 strong partnerships with the private sector, ensuring industry
14 involvement in needs assessment, planning, and program
15 evaluation.

16 (A) Workforce investment programs and services shall
17 encourage industry involvement by developing strong partnerships
18 with an industry's employers and the unions that represent the
19 industry's workers.

20 (B) Workforce investment programs and services may consider
21 the needs of employers and businesses of all sizes, including large,
22 medium, small, and microenterprises, when setting priorities,
23 investing resources, and adopting practices.

24 (5) Workforce investment programs and services shall be
25 outcome oriented and accountable, measuring results for program
26 participants, including, but not limited to, outcomes related to
27 program completion, employment, and earnings.

28 (6) Programs and services shall be accessible to employers, the
29 self-employed, workers, and students who may benefit from their
30 operation, including individuals with employment barriers, such
31 as persons with economic, physical, or other barriers to
32 employment.

33 SEC. 2. Section 14013 of the Unemployment Insurance Code
34 is amended to read:

35 14013. The board shall assist the Governor in *all of* the
36 following:

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

39 (b) Developing the State Workforce Investment Plan.

- 1 (c) Developing guidelines for the continuous improvement and
2 operation of the workforce investment system, including:
- 3 (1) Developing policies to guide the one-stop system.
4 (2) Providing technical assistance for the continuous
5 improvement of the one-stop system.
6 (3) Recommending state investments in the one-stop system.
7 (4) Targeting resources to competitive and emerging industry
8 sectors and industry clusters that provide economic security and
9 are either high-growth sectors or critical to California's economy,
10 or both. These industry sectors and clusters shall have significant
11 economic impacts on the state and its regional and workforce
12 development needs and have documented career opportunities.
- 13 (5) To the extent permissible under state and federal laws,
14 recommending youth policies and strategies that support linkages
15 between kindergarten and grades 1 to 12, inclusive, and community
16 college educational systems and youth training opportunities in
17 order to help youth secure educational and career advancement.
18 These policies and strategies may be implemented using a sector
19 strategies framework and should ultimately lead to placement in
20 a job providing economic security or job placement in an
21 entry-level job that has a well-articulated career pathway or career
22 ladder to a job providing economic security.
- 23 (6) To the extent permissible under state and federal law,
24 recommending adult and dislocated worker training policies and
25 investments that offer a variety of career opportunities while
26 upgrading the skills of California's workforce. These may include
27 training policies and investments pertaining to any of the following:
- 28 (A) Occupational skills training, including training for
29 nontraditional employment.
30 (B) On-the-job training.
31 (C) Programs that combine workplace training with related
32 instruction, which may include cooperative education programs.
33 (D) Training programs operated by the private sector.
34 (E) Skill upgrading and retraining.
35 (F) Entrepreneurial training.
36 (G) Job readiness training.
37 (H) Adult education and literacy activities provided in
38 combination with any of the services described in this paragraph.

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

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

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

10 (2) Reviewing local workforce investment plans.

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

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

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

23 (1) Consultations with the Governor.

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

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

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

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

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

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

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

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

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

11 (m) Recommending policy to the Governor for the use of the
12 25-percent rapid response funds, as authorized under the federal
13 Workforce Investment Act of 1998.

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

17 SEC. 3. Section 14020 of the Unemployment Insurance Code
18 is amended to read:

19 14020. (a) The California Workforce Investment Board, in
20 collaboration with state and local partners, including the Chancellor
21 of the California Community Colleges, the State Department of
22 Education, other appropriate state agencies, and local workforce
23 investment boards, shall develop a strategic workforce plan to
24 serve as a framework for the development of public policy, fiscal
25 investment, and operation of all state labor exchange, workforce
26 education, and training programs to address the state's economic,
27 demographic, and workforce needs. The strategic workforce plan
28 shall also serve as the framework for the single state plan required
29 by the federal Workforce Investment Act of 1998. The plan shall
30 be updated at least every five years.

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

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

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

10 (d) In order to support the requirement of the plans in
11 subdivision (a), the California Workforce Investment Board shall
12 do *all of* 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 and its regional economies. In
16 developing this analysis, the California Workforce Investment
17 Board shall consider the expertise of local workforce investment
18 boards in the state's respective regional economies and shall
19 encourage the local workforce investment boards to identify
20 industry sectors and industry clusters that have a competitive
21 economic advantage and demonstrated economic importance in
22 their respective local workforce investment areas.

23 (2) Annually identify new dynamic emergent industry sectors
24 and industry clusters with substantial potential to generate new
25 jobs and income growth for the state and its regional economies.
26 In developing this analysis, the California Workforce Investment
27 Board shall consider the expertise of local workforce investment
28 boards in the state's respective regional economies and shall
29 encourage the local workforce investment boards to identify new
30 dynamic emergent industry sectors and industry clusters with
31 substantial potential to generate new jobs and income growth in
32 their respective local workforce investment areas.

33 (3) Provide an annual skills-gap analysis enumerating
34 occupational and skills shortages in the industry sectors and
35 industry clusters identified as having strategic importance to the
36 state's economy and its regional economies. In developing this
37 analysis, the California Workforce Investment Board shall consider
38 the expertise of local workforce investment boards in the state's
39 respective regional economies and shall encourage the local
40 workforce investment boards to conduct skills-gap analysis for

1 their respective local workforce investment areas. Skills-gap
2 analysis for the state and its regional economies shall use labor
3 market data to specify a list of high-priority, in-demand occupations
4 for the state and its regional economies. This list shall be used to
5 inform investment decisions and eligible training provider policies.

6 (4) Establish, with input from local workforce investment boards
7 and other stakeholders, initial and subsequent eligibility criteria
8 for the federal Workforce Investment Act of 1998 eligible training
9 provider list that effectively directs training resources into training
10 programs leading to employment in high-demand, high-priority,
11 and occupations that provide economic security, particularly those
12 facing a shortage of skilled workers. The subsequent eligibility
13 criteria, to the extent feasible, shall use performance and outcome
14 measures to determine whether a provider is qualified to remain
15 on the list. At a minimum, initial and subsequent eligibility criteria
16 shall consider the following:

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

19 (B) The need to plug skills gaps and skills shortages in the
20 economy, including skills gaps and skills shortages at the state and
21 regional level.

22 (C) The need to plug skills gaps and skills shortages in local
23 workforce investment areas.

24 (D) The likelihood that the training program will lead to job
25 placement in a job providing economic security or job placement
26 in an entry-level job that has a well-articulated career pathway or
27 career ladder to a job providing economic security.

28 (E) The need for basic skills and bridge training programs that
29 provide access to occupational skills training for individuals with
30 barriers to employment and those who would otherwise be unable
31 to enter occupational skills training.

32 (F) To the extent feasible, utilize criteria that measure training
33 and education provider performance, including, but not limited to,
34 the following:

35 (i) Measures of skills or competency attainment.

36 (ii) Measures relevant to program completion, including
37 measures of course, certificate, degree, licensure, and program of
38 study rate of completion.

39 (iii) For those entering the labor market, measures of
40 employment placement and retention.

1 (iv) For those continuing in training or education, measures of
2 educational or training progression.

3 (v) For those who have entered the labor market, measures of
4 income, including wage measures.

5 (G) The division of labor for making initial and subsequent
6 eligibility determinations under this division shall be modeled on
7 the division of labor envisioned in the federal Workforce
8 Investment Act of 1998 in that the state board shall establish, with
9 input from local workforce investment boards and other
10 stakeholders, the initial and subsequent eligibility procedures and
11 criteria utilized by local workforce investment boards to assess
12 training provider performance. The local boards shall have the
13 authority to place and retain training providers on the list, and shall
14 provide relevant performance data pertaining to the training
15 provider criteria established pursuant to this division to a state
16 agency designated by the Governor. The relevant state agency
17 shall also have the authority to remove training providers for
18 nonperformance, provided they do not meet the performance
19 criteria established pursuant to this division.

20 (H) If the state receives a waiver from the federal subsequent
21 eligibility provisions specified in the federal Workforce Investment
22 Act of 1998, the state workforce investment board shall establish
23 its own subsequent eligibility criteria that take into account all of
24 the criteria specified in subparagraphs (A) to (G), inclusive.

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