

ASSEMBLY BILL

No. 2615

Introduced by Assembly Member Muratsuchi

February 21, 2014

An act to add Section 14212 to the Unemployment Insurance Code, relating to unemployment, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2615, as introduced, Muratsuchi. Unemployment: workforce development.

The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified. Existing law requires the local chief elected officials in a local workforce development area, to form, pursuant to specified guidelines, a local workforce investment board to plan and oversee the workforce investment system.

This bill would transfer \$25,000,000 from the General Fund to the Work-Based Learning Fund, which the bill would create in the State Treasury, for the purpose of funding work-based learning programs for out-of-school youth and young adults. This bill would appropriate the moneys in the Work-Based Learning Fund to the California Workforce Investment Board, which would develop a competitive grant program to allocate those moneys to local workforce investment boards and community-based organizations that administer Workforce Investment Act youth programs. This bill would require the local workforce investment boards and the community-based organizations to report specified information to the California Workforce Investment Board,

and would require the California Workforce Investment Board to report specified information to the Legislature and the Governor, as provided.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) According to the State Department of Education, in 2012,
4 California’s high school graduation rate was 78.5 percent and the
5 high school dropout rate was 13.2 percent. The dropout rates were
6 higher for students of color, English learners, migrants, special
7 education students, and socioeconomically disadvantaged students.
8 The dropout rates for the following student groups was as follows:

- 9 (1) 16.2 percent for Hispanic students.
- 10 (2) 22.2 percent for African American students.
- 11 (3) 23.7 percent for English learners.
- 12 (4) 16.4 percent for migrant students.
- 13 (5) 17.2 percent for special education students.
- 14 (6) 16.4 percent for socioeconomically disadvantaged students.

15 (b) While California’s unemployment rate is 8.3 percent as of
16 December 2013, according to the Bureau of Labor Statistics’ most
17 recent data, the unemployment rate of California youth and young
18 adults, 16 to 24 years of age is 20.2 percent, which is the 4th
19 highest in the nation and much higher than the adult unemployment
20 rate. Young people have been especially hard hit by the Great
21 Recession and are often not able to compete with older, more
22 experienced workers for low-wage jobs.

23 (c) Investment is needed to connect young people to the work
24 force and provide them with the skills, experience, and training to
25 have successful careers and become productive members of society.
26 Work-based learning opportunities for youth who are no longer
27 in school and who are either unemployed or underemployed, can
28 help reconnect these youth back to school, and ultimately lead to
29 full-time jobs. This can lead to a reduction in crime rates and gang
30 violence among young people.

31 (d) By working, youth get far more than a paycheck. They make
32 connections that can set them on a course to success. Young people
33 who are engaged in work-based learning discover careers that they

1 never knew existed, meet adults with life experience to share, and
2 gain new inspiration to do well academically. Studies show that
3 early work experience leads to higher high school graduation rates,
4 higher life-long earnings, and a greater likelihood of further
5 education.

6 (e) Investments in work-based learning opportunities for young
7 people have been drastically cut or eliminated over the last two
8 decades. In the 1998-99 fiscal year, the summer youth employment
9 program was cut from the federal budget resulting in a loss of
10 \$150.6 million to California. The Youth Opportunity Grant was
11 also eliminated and Title II-C funding for economically
12 disadvantaged youth was reduced to the 1995 level of \$130 million.
13 The American Recovery and Reinvestment Act funded several
14 youth job training programs, but this funding has been exhausted.
15 California needs to act now to invest in our youth.

16 SEC. 2. Section 14212 is added to the Unemployment Insurance
17 Code, to read:

18 14212. (a) For the purposes of this section:

19 (1) "Community-based organization" means an organization
20 exempt from federal income taxes as an organization described in
21 Section 501(c)(3) of the Internal Revenue Code that performs work
22 on behalf of a Local Workforce Investment Board (LWIB).

23 (2) "Work-based learning" means paid employment
24 opportunities in the public or private sector that reinforces
25 academics and deepens career and workplace-related knowledge.

26 (b) Twenty-five million dollars (\$25,000,000) shall be
27 transferred from the General Fund to the Work-Based Learning
28 Fund, which is hereby created in the State Treasury, on January
29 1, 2015, for the purpose of funding work-based learning programs
30 for out-of-school youth and young adults who are 16 to 24 years
31 of age, inclusive, and the administrative costs relating to allocating
32 those moneys.

33 (c) The moneys in the Work-Based Learning Fund shall be
34 appropriated to the California Workforce Investment Board
35 (CWIB) on January 1, 2015, which shall develop a competitive
36 grant program to allocate the moneys in the Work-Based Learning
37 Fund. CWIB may allocate those moneys to LWIBs and
38 community-based organizations that administer Workforce
39 Investment Act youth programs (CBOs) if the LWIB or CBO
40 demonstrates that it will receive money from another public or

1 private entity or nonmonetary donations. CWIB shall use the
2 following criteria to choose which LWIBs and CBOs shall receive
3 the moneys:

4 (1) Previous success in offering work-based learning to youth
5 and young adults. Success shall be based on the level of full-time
6 employment, obtainment of high school diplomas or passage of
7 general educational development tests, and completion of
8 community colleges courses, any vocational certificate or degrees
9 receive, and entrance into the military, by youth and young adults
10 participating in the program.

11 (2) Partnerships with government entities, businesses, and
12 community-based organization that will provide work-based
13 learning.

14 (3) Unemployment rate and poverty rate in the area that is served
15 by the LWIBs and the CBO.

16 (d) A LWIB or CBO shall obtain the following information and
17 report it to the CWIB:

18 (1) Type of employment placement (public, private, or
19 nonprofit).

20 (2) Employer demographics, including the name and address
21 of the firm.

22 (3) Industry sector.

23 (4) Position or job title.

24 (5) Wage.

25 (e) (1) CWIB shall submit a report to the Legislature and the
26 Governor, on or before January 1, 2018, detailing the following
27 issues related to the programs of the LWIBs and CBOs that are
28 receiving the moneys from the Work-Place Learning Fund:

29 (A) Effectiveness of the work-based learning programs of the
30 LWIBs and CBOs for out-of-school youth and young adults.

31 (B) The amount and source of the required moneys or
32 nonmonetary donations that the LWIBs and CBOs received.

33 (C) Listing of areas in the state where moneys were successfully
34 utilized.

35 (D) Employment and age information of participants in each
36 area that an LWIB or CBO that received moneys services.

37 (E) The involvement of employers in the design and
38 implementation of work-based learning.

39 (F) The number of high school diplomas and general educational
40 development tests passed, and vocational certificates or degrees.

1 (2) (A) The requirement for submitting a report imposed under
2 paragraph (1) is inoperative on January 1, 2022, pursuant to Section
3 10231.5 of the Government Code.

4 (B) A report to be submitted pursuant to paragraph (1) shall be
5 submitted in compliance with Section 9795 of the Government
6 Code.

O