

AMENDED IN ASSEMBLY AUGUST 13, 2013

SENATE BILL

No. 118

Introduced by Senator Lieu

(Principal coauthor: Assembly Member Roger Hernández)

(Coauthor: Assembly Member Medina)

January 17, 2013

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 118, as amended, 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~~ *of the* development of a well-educated and highly skilled 21st century economy and workforce. This bill would require the board to assist the Governor in targeting resources to specified industry clusters that provide economic security 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 federal, 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.

This bill would also make related changes.

This bill would incorporate additional changes to Section 14013 of the Unemployment Insurance Code proposed by AB 285 that would become operative if this bill and AB 285 are enacted and this bill is enacted last.

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 finds and declares that 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

1 emerging industry sectors and filling critical labor market skills
2 gaps.

3 (C) Adapting to rapidly changing local and regional labor
4 markets as specific workforce skill requirements change over time.

5 (D) Preparing workers for good-paying jobs that foster economic
6 security and upward mobility.

7 (2) State and local workforce investment boards are encouraged
8 to collaborate with other public and private institutions, including
9 businesses, unions, nonprofit organizations, kindergarten and
10 grades 1 to 12, inclusive, career technical education programs,
11 adult career technical education and basic skills programs,
12 community college career technical education and basic skills
13 programs, *entrepreneurship training programs, where appropriate,*
14 the California Community Colleges Economic and Workforce
15 Development Program, and the Employment Training Panel, to
16 better align resources across workforce education and training
17 service delivery systems and build a well-articulated workforce
18 investment system by accomplishing the following:

19 (A) Adopting local and regional training and education strategies
20 that build on the strengths and fill the gaps in the education and
21 workforce development pipeline in order to address the needs of
22 job seekers, workers, and employers within regional labor markets
23 by supporting sector strategies.

24 (B) Leveraging resources across education and workforce
25 training delivery systems to build career pathways and fill critical
26 skills gaps.

27 (3) Workforce investment programs and services shall be data
28 driven and evidence based when setting priorities, investing
29 resources, and adopting practices.

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

34 (A) Workforce investment programs and services shall
35 encourage industry involvement by developing strong partnerships
36 with an industry's employers and the unions that represent the
37 industry's workers.

38 (B) Workforce investment programs and services may consider
39 the needs of employers *and businesses* of all sizes, including large,

1 medium, small, and ~~microenterprise employers~~, *microenterprises*,
2 when setting priorities, investing resources, and adopting practices.

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

7 (6) Programs and services shall be accessible to employers, *the*
8 *self-employed*, workers, and students who may benefit from their
9 operation, including individuals with employment barriers, such
10 as persons with economic, physical, or other barriers to
11 employment.

12 SEC. 2. Section 14005 of the Unemployment Insurance Code
13 is amended to read:

14 14005. For purposes of this division:

15 (a) “Board” ~~shall mean~~ *means* the California Workforce
16 Investment Board.

17 (b) “Agency” means the Labor and Workforce Development
18 Agency.

19 (c) “Career pathways,” “career ladders,” or “career lattices”
20 mean an identified series of positions, work experiences, or
21 educational benchmarks or credentials with multiple access points
22 that offer occupational and financial advancement within a
23 specified career field or related fields over time.

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

28 (e) “Data driven” means a process of making decisions about
29 investments and policies based on systematic analysis of data,
30 which may include data pertaining to labor markets.

31 (f) “Economic security” means, with respect to a worker, earning
32 a wage sufficient to support a family adequately, and, over time,
33 to save for emergency expenses and adequate retirement income,
34 based on factors such as household size, the cost of living in the
35 worker’s community, and other factors that may vary by region.

36 (g) “Evidence-based” means making use of policy research as
37 a basis for determining best policy practices. Evidence-based
38 policymakers adopt policies that research has shown to produce
39 positive outcomes, in a variety of settings, for a variety of
40 populations over time. Successful, evidence-based programs deliver

1 quantifiable and sustainable results. Evidence-based practices
2 differ from approaches that are based on tradition, belief,
3 convention, or anecdotal evidence.

4 (h) “High-priority occupations” mean occupations that have a
5 significant presence in a targeted industry sector or industry cluster,
6 are in demand by employers, and pay or lead to payment of a wage
7 that provides economic security.

8 (i) “Individual with employment barriers” means an individual
9 with any characteristic that substantially limits an individual’s
10 ability to obtain employment, including indicators of poor work
11 history, lack of work experience, or access to employment in
12 nontraditional occupations, long-term unemployment, lack of
13 educational or occupational skills attainment, dislocation from
14 high-wage and high-benefit employment, low levels of literacy or
15 English proficiency, disability status, or welfare dependency.

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

24 (k) (1) “Industry or sector partnership” means a workforce
25 collaborative that organizes key stakeholders in a targeted industry
26 cluster into a working group that focuses on the workforce needs
27 of the targeted industry cluster. An industry or sector partnership
28 organizes the stakeholders connected with a specific local or
29 regional industry—multiple firms, labor groups, education and
30 training providers, and workforce and education systems—to
31 develop workforce development strategies within the industry.
32 Successful sector partnerships leverage partner resources to address
33 both short-term and long-term human capital needs of a particular
34 sector, including by analyzing current labor markets and identifying
35 barriers to employment within the industry, developing cross-firm
36 skill standards, curricula, and training programs, and developing
37 occupational career ladders to ensure workers of all skill levels
38 can advance within the industry.

39 (2) Industry or sector partnerships include, at the appropriate
40 stage of development of the partnership, all of the following:

1 (A) Representatives of multiple firms or employers in the
2 targeted industry cluster, including small-sized and medium-sized
3 employers when practicable.

4 (B) One or more representatives of state labor organizations,
5 central labor coalitions, or other labor organizations, except in
6 instances where no labor representations exists.

7 (C) One or more representatives of local workforce investment
8 boards.

9 (D) One or more representatives of kindergarten and grades 1
10 to 12, inclusive, and postsecondary educational institutions or other
11 training providers, including, but not limited to, career technical
12 educators.

13 (E) One or more representatives of state workforce agencies or
14 other entities providing employment services.

15 (3) An industry or sector partnership may also include
16 representatives from the following:

17 (A) State or local government.

18 (B) State or local economic development agencies.

19 (C) Other state or local agencies.

20 (D) Chambers of commerce.

21 (E) Nonprofit organizations.

22 (F) Philanthropic organizations.

23 (G) Economic development organizations.

24 (H) Industry associations.

25 (I) Other organizations, as determined necessary by the members
26 comprising the industry or sector partnership.

27 (l) “Industry sector” means those firms that produce similar
28 products or provide similar services using somewhat similar
29 business processes, and are closely linked by workforce needs,
30 within a regional labor market.

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

35 (n) “Sector strategies” means methods of prioritizing
36 investments in competitive and emerging industry sectors and
37 industry clusters on the basis of labor market and other economic
38 data indicating strategic growth potential, especially with regard
39 to jobs and income, and exhibit the following characteristics:

1 (1) Focus workforce investment in education and workforce
2 training programs that are likely to lead to jobs providing economic
3 security or to an entry-level job with a well-articulated career
4 pathway into a job providing economic security.

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

11 (3) May be implemented using articulated career pathways or
12 lattices and a system of stackable credentials.

13 (4) May target underserved communities, disconnected youths,
14 incumbent workers, and recently separated military veterans.

15 (5) Frequently are implemented using industry or sector
16 partnerships.

17 (6) Typically are implemented at the regional level where sector
18 firms, those employers described in subdivisions (j) and (l), often
19 share a common labor market and supply chains. However, sector
20 strategies may also be implemented at the state or local level
21 depending on sector needs and labor market conditions.

22 (o) “Workforce Investment Act of 1998” means the federal act
23 enacted as Public Law 105-220.

24 SEC. 3. Section 14010 of the Unemployment Insurance Code
25 is amended to read:

26 14010. The California Workforce Investment Board is the body
27 responsible for assisting the Governor in the development,
28 oversight, and continuous improvement of California’s workforce
29 investment system and the alignment of the education and
30 workforce investment systems to the needs of the 21st century
31 economy and workforce.

32 SEC. 4. Section 14013 of the Unemployment Insurance Code
33 is amended to read:

34 14013. The board shall assist the Governor in the following:

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

37 (b) Developing the State Workforce Investment Plan.

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

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

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

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

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

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

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

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

28 (B) On-the-job training.

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

31 (D) Training programs operated by the private sector.

32 (E) Skill upgrading and retraining.

33 (F) Entrepreneurial training.

34 (G) Job readiness training.

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

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

- 1 (d) Developing and continuously improving the statewide
2 workforce investment system as delivered via the one-stop delivery
3 system and via other programs and services supported by funding
4 from the federal Workforce Investment Act of 1998, including:
- 5 (1) Developing linkages in order to ensure coordination and
6 nonduplication among workforce programs and activities.
 - 7 (2) Reviewing local workforce investment plans.
 - 8 (3) Leveraging state and federal funds to ensure that resources
9 are invested in activities that meet the needs of the state's
10 competitive and emerging industry sectors and advance the
11 education and employment needs of students and workers so they
12 can keep pace with the education and skill needs of the state, its
13 regional economies, and leading industry sectors.
- 14 (e) Commenting, at least once annually, on the measures taken
15 pursuant to the Carl D. Perkins Vocational and Applied Technology
16 Education Act Amendments of 1990 (Public Law 101-392; 20
17 U.S.C. Sec. 2301 et seq.).
- 18 (f) Designating local workforce investment areas within the
19 state based on information derived from all of the following:
- 20 (1) Consultations with the Governor.
 - 21 (2) Consultations with the chief local elected officials.
 - 22 (3) Consideration of comments received through the public
23 comment process, as described in Section 112(b)(9) of the federal
24 Workforce Investment Act of 1998.
- 25 (g) Developing and modifying allocation formulas, as necessary,
26 for the distribution of funds for adult employment and training
27 activities, for youth activities to local workforce investment areas,
28 and dislocated worker employment and training activities, as
29 permitted by federal law.
- 30 (h) Coordinating the development and continuous improvement
31 of comprehensive state performance measures, including state
32 adjusted levels of performance, to assess the effectiveness of the
33 workforce investment activities in the state.
- 34 (i) Preparing the annual report to the United States Secretary of
35 Labor.
- 36 (j) Recommending policy for the development of the statewide
37 employment statistics system, including workforce and economic
38 data, as described in Section 15 of Title 29 of the United States
39 Code, and using, to the fullest extent possible, the Employment

1 Development Department's existing labor market information
2 systems.

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

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

9 (m) Recommending policy to the Governor for the use of the
10 25-percent rapid response funds, as authorized under the federal
11 Workforce Investment Act of 1998.

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

15 *SEC. 4.5. Section 14013 of the Unemployment Insurance Code*
16 *is amended to read:*

17 14013. The board shall assist the Governor in the following:

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

20 (b) Developing the State Workforce Investment Plan.

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

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

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

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

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

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

36 (6) *To the extent permissible under state and federal laws,*
37 *recommending youth policies and strategies that support linkages*
38 *between kindergarten and grades 1 to 12, inclusive, and community*
39 *college educational systems and youth training opportunities in*
40 *order to help youth secure educational and career advancement.*

1 *These policies and strategies may be implemented using a sector*
2 *strategies framework and should ultimately lead to placement in*
3 *a job providing economic security or job placement in an*
4 *entry-level job that has a well-articulated career pathway or career*
5 *ladder to a job providing economic security.*

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

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

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

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

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

17 *(E) Skill upgrading and retraining.*

18 *(F) Entrepreneurial training.*

19 *(G) Job readiness training.*

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

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

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

30 *(1) Developing linkages in order to ~~assure~~ ensure coordination*
31 *and nonduplication among workforce programs and activities.*

32 *(2) Reviewing local workforce investment plans.*

33 *~~(3) Providing guidance to ensure services reflect the needs of~~*
34 *~~high-wage industry sectors.~~*

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

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

4 (e) Commenting, at least once annually, on the measures taken
5 pursuant to the Carl D. Perkins Vocational and Applied Technology
6 Education Act Amendments of 1990 (Public Law 101-392;
7 20 U.S.C. Sec. 2301 et seq.).

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

10 (1) Consultations with the ~~Governor~~ board.

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

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

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

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

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

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

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

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

38 (m) Recommending policy to the Governor for the use of the
39 25-percent rapid response funds, as authorized under the federal
40 Workforce Investment Act of 1998.

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

4 (o) *Recommending policy and providing technical assistance*
5 *on entrepreneurial training opportunities that could be made*
6 *available through programs of local workforce investment boards*
7 *as authorized under the federal Workforce Investment Act of 1998*
8 *(29 U.S.C. Sec. 2801 et seq.).*

9 SEC. 5. Section 14020 of the Unemployment Insurance Code
10 is amended to read:

11 14020. (a) The California Workforce Investment Board, in
12 collaboration with state and local partners, including the Chancellor
13 of the California Community Colleges, the State Department of
14 Education, other appropriate state agencies, and local workforce
15 investment boards, shall develop a strategic workforce plan to
16 serve as a framework for the development of public policy, fiscal
17 investment, and operation of all state labor exchange, workforce
18 education, and training programs to address the state’s economic,
19 demographic, and workforce needs. The strategic workforce plan
20 shall also serve as the framework for the single state plan required
21 by the federal Workforce Investment Act of 1998. The plan shall
22 be updated at least every five years.

23 (b) The state shall develop a California Industry Sector Initiative
24 that will serve as the cornerstone of the state plan and provide a
25 framework for state workforce investments and support for sector
26 strategies.

27 (c) The California Workforce Investment Board shall work
28 collaboratively with state and local partners to identify ways to
29 eliminate systemwide barriers and better align and leverage federal,
30 state, and local Workforce Investment Act funding streams and
31 policies to develop, support, and sustain regional alliances of
32 employers and workforce and education professionals who are
33 working to improve the educational pipeline, establish
34 well-articulated career pathways, provide industry-recognized
35 credentials and certificates, and address the career advancement
36 needs of current and future workers in competitive and emergent
37 industry sectors and clusters. The California Workforce Investment
38 Board and its partners shall work collaboratively to maximize state
39 and local investments and pursue other resources to address the

1 skills-gap needs identified pursuant to paragraph (3) of subdivision
2 (d).

3 (d) In order to support the requirement of the plans in
4 subdivision (a), the California Workforce Investment Board shall
5 do the following:

6 (1) Annually identify industry sectors and industry clusters that
7 have a competitive economic advantage and demonstrated
8 economic importance to the state and its regional economies. In
9 developing this analysis, the California Workforce Investment
10 Board shall consider the expertise of local workforce investment
11 boards in the state's respective regional economies and shall
12 encourage the local workforce investment boards to identify
13 industry sectors and industry clusters that have a competitive
14 economic advantage and demonstrated economic importance in
15 their respective local workforce investment areas.

16 (2) Annually identify new dynamic emergent industry sectors
17 and industry clusters with substantial potential to generate new
18 jobs and income growth for the state and its regional economies.
19 In developing this analysis, the California Workforce Investment
20 Board shall consider the expertise of local workforce investment
21 boards in the state's respective regional economies and shall
22 encourage the local workforce investment boards to identify new
23 dynamic emergent industry sectors and industry clusters with
24 substantial potential to generate new jobs and income growth in
25 their respective local workforce investment areas.

26 (3) Provide an annual skills-gap analysis enumerating
27 occupational and skills shortages in the industry sectors and
28 industry clusters identified as having strategic importance to the
29 state's economy and its regional economies. In developing this
30 analysis, the California Workforce Investment Board shall consider
31 the expertise of local workforce investment boards in the state's
32 respective regional economies and shall encourage the local
33 workforce investment boards to conduct skills-gap analysis for
34 their respective local workforce investment areas. Skills-gap
35 analysis for the state and its regional economies shall use labor
36 market data to specify a list of high-priority, in-demand occupations
37 for the state and its regional economies. This list shall be used to
38 inform investment decisions and eligible training provider policies.

39 (4) Establish, with input from local workforce investment boards
40 and other stakeholders, initial and subsequent eligibility criteria

1 for the federal Workforce Investment Act of 1998 eligible training
2 provider list that effectively directs training resources into training
3 programs leading to employment in high-demand, high-priority,
4 and occupations that provide economic security, particularly those
5 facing a shortage of skilled workers. The subsequent eligibility
6 criteria, to the extent feasible, shall use performance and outcome
7 measures to determine whether a provider is qualified to remain
8 on the list. At a minimum, initial and subsequent eligibility criteria
9 shall consider the following:

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

12 (B) The need to plug skills gaps and skills shortages in the
13 economy, including skills gaps and skills shortages at the state and
14 regional level.

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

17 (D) The likelihood that the training program will lead to job
18 placement in a job providing economic security or job placement
19 in an entry-level job that has a well-articulated career pathway or
20 career ladder to a job providing economic security.

21 (E) The need for basic skills and bridge training programs that
22 provide access to occupational skills training for individuals with
23 barriers to employment and those who would otherwise be unable
24 to enter occupational skills training.

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

28 (i) Measures of skills or competency attainment.

29 (ii) Measures relevant to program completion, including
30 measures of course, certificate, degree, licensure, and program of
31 study rate of completion.

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

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

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

38 (G) The division of labor for making initial and subsequent
39 eligibility determinations under this division shall be modeled on
40 the division of labor envisioned in the federal Workforce

1 Investment Act of 1998 in that the state board shall establish, with
2 input from local workforce investment boards and other
3 stakeholders, the initial and subsequent eligibility procedures and
4 criteria utilized by local workforce investment boards to assess
5 training provider performance. The local boards shall have the
6 authority to place and retain training providers on the list, and shall
7 provide relevant performance data pertaining to the training
8 provider criteria established pursuant to this division to a state
9 agency designated by the Governor. The relevant state agency
10 shall also have the authority to remove training providers for
11 nonperformance, provided they do not meet the performance
12 criteria established pursuant to this division.

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

18 *SEC. 6. Section 4.5 of this bill incorporates amendments to*
19 *Section 14013 of the Unemployment Insurance Code proposed by*
20 *both this bill and Assembly Bill 285. It shall only become operative*
21 *if (1) both bills are enacted and become effective on or before*
22 *January 1, 2014, (2) each bill amends Section 14013 of the*
23 *Unemployment Insurance Code, and (3) this bill is enacted after*
24 *Assembly Bill 285, in which case Section 4 of this bill shall not*
25 *become operative.*