

## Assembly Bill No. 1270

### CHAPTER 94

An act to amend Sections 9600.5, 9600.7, 14000, 14002, 14003, 14004.5, 14005, 14010, 14012, 14013, 14017, 14020, 14200, 14201, 14207, 14209, 14211, 14220, 14222, 14223, 14230, 14230.5, 14231, 14232, 14235, 14500, and 14510 of, to amend the headings of Article 1 (commencing with Section 14010) and Article 2 (commencing with Section 14020) of Chapter 3 of, to amend the heading of Article 1 (commencing with Section 14200) of Chapter 4 of Division 7 of, to amend the heading of Division 7 (commencing with Section 14000) of, to repeal Sections 14022, 14203, 14204, 14206.1, and 14210 of, and to repeal and add Sections 14202, 14206, 14208, and 14221 of, the Unemployment Insurance Code, relating to workforce development.

[Approved by Governor July 14, 2015. Filed with  
Secretary of State July 14, 2015.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1270, Eduardo Garcia. California Workforce Innovation and Opportunity Act.

The federal Workforce Innovation and Opportunity Act of 2014 provides for workforce investment activities, including activities in which states may participate. These provisions were previously contained in the federal Workforce Investment Act of 1998. The California Workforce Investment Act contains various programs for job training and employment investment, including work incentive programs, as specified.

This bill would update statutory references to the Workforce Investment Act of 1998 to instead refer to the Workforce Innovation and Opportunity Act of 2014 and make related conforming changes.

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 revise legislative findings with regard to the act, revise the definitions of terms used within the act, and rename the California Workforce Investment Board the California Workforce Development Board. With regard to the board, the bill would require the board to assist the Governor in the development of a State Plan and would provide that the State Plan serve as a comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment service funding streams and programs. The bill would revise the membership of the board and task the board with, among other things,

developing and continuously improving the statewide workforce investment system.

The federal Workforce Investment Act of 1998 requires the local chief elected officials in a local workforce development area to form, pursuant to specified guidelines, a local workforce investment board to, among other things, plan and oversee the workforce investment system and develop a comprehensive 5-year local plan. Existing law requires the Governor to establish, through the California Workforce Investment Board, standards for certification of high-performance local workforce investment boards, in accordance with specified criteria. Existing law requires a youth council be established within each local board and specified the duties of the council. Existing law also requires local workforce investment boards to spend a certain percentage of available federal funds for in a manner consistent with federal law, as prescribed.

This bill would rename the local boards as local workforce development boards, would revise the timeline for certifications of high-performance local workforce development boards, revise the guidelines used to appoint members of the local boards, and revise the duties of the local board consistent with the federal Workforce Innovation and Opportunity Act of 2014. The bill would, with regard to the provision of services to youth, instead authorize a local board to establish a standing committee on the provision of youth services, as provided. This bill would require the local boards to develop a comprehensive 4-year local plan, revise the content of the local plan, and revise the manner by which the board shares that plan with the public. This bill would impose new requirements on local boards in conformance with federal law, thereby imposing a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

SECTION 1. Section 9600.5 of the Unemployment Insurance Code is amended to read:

9600.5. Notwithstanding Section 10231.5 of the Government Code, the director of the Employment Development Department shall report annually to the Governor, the Legislature, and the California Workforce Development Board, no later than November 30, regarding the training expenditures made by local workforce development boards in the prior fiscal year. The department shall specify what expenditures qualify as training expenditures using the definition of training provided for in Section 3174(c)(3)(D) of Title 29 of the United States Code. The annual report shall specify the total amount of federal funding provided to the state and to each of the local

workforce investment areas for the adult and dislocated persons programs and the amount within each program expended for training services. A report submitted pursuant to this section shall comply with Section 9795 of the Government Code.

SEC. 2. Section 9600.7 of the Unemployment Insurance Code is amended to read:

9600.7. (a) The department shall have the authority to administer the requirements of the federal Workforce Innovation and Opportunity Act including, but not limited to, establishing accounting, monitoring, auditing, and reporting procedures and criteria in order to ensure state compliance with the objectives and requirements of the federal Workforce Innovation and Opportunity Act.

(b) The department shall adopt, amend, or repeal any rules and regulations as necessary to implement Division 7 (commencing with Section 14000).

SEC. 3. The heading of Division 7 (commencing with Section 14000) of the Unemployment Insurance Code is amended to read:

DIVISION 7. CALIFORNIA WORKFORCE INNOVATION AND  
OPPORTUNITY ACT

SEC. 4. Section 14000 of the Unemployment Insurance Code is amended to read:

14000. (a) The Legislature finds and declares that, in order for California to remain prosperous and globally competitive, it needs to have a well-educated and highly skilled workforce.

(b) The Legislature finds and declares that the following principles shall guide the state's workforce investment system:

(1) Workforce investment programs and services shall be responsive to the needs of employers, workers, and students by accomplishing the following:

(A) Preparing California's students and workers with the skills necessary to successfully compete in the global economy.

(B) Producing greater numbers of individuals who obtain industry-recognized certificates and career-oriented degrees in competitive and emerging industry sectors and filling critical labor market skills gaps.

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

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

(E) Aligning employment programs, resources, and planning efforts regionally around industry sectors that drive regional employment to connect services and training directly to jobs.

(2) State and local workforce development boards are encouraged to collaborate with other public and private institutions, including businesses, unions, nonprofit organizations, kindergarten and grades 1 to 12, inclusive, career technical education programs, adult career technical education and

basic skills programs, apprenticeships, community college career technical education and basic skills programs, entrepreneurship training programs, where appropriate, the California Community Colleges Economic and Workforce Development Program, the Employment Training Panel, and county-based social and employment services, to better align resources across workforce, training, education, and social service delivery systems and build a well-articulated workforce investment system by accomplishing the following:

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

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

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

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

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

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

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

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

SEC. 5. Section 14002 of the Unemployment Insurance Code is amended to read:

14002. (a) The Legislature finds and declares that screening designed to detect unidentified disabilities, including learning disabilities, improves workforce preparation and enhances the use of employment and training resources.

(b) Section 134(c)(2) of the federal Workforce Innovation and Opportunity Act (29 U.S.C. Sec. 3174(c)(2)) allows for the use of funds for initial assessment of skill levels, aptitudes, abilities, and support services, including, when appropriate, comprehensive and specialized assessments of skill levels and service needs, including, but not limited to, diagnostic testing and the use of other assessment tools and in-depth interviewing and

evaluation to identify employment barriers and appropriate employment goals.

(c) The Legislature encourages one-stop career centers to maximize the use of Workforce Innovation and Opportunity Act resources and other federal and state workforce development resources for screening designed to detect unidentified disabilities, and if indicated, appropriate diagnostic assessment.

SEC. 6. Section 14003 of the Unemployment Insurance Code is amended to read:

14003. (a) Grants or contracts awarded under the federal Workforce Innovation and Opportunity Act, codified in Chapter 32 (commencing with Section 3101) of Title 29 of the United States Code, or any other state or federally funded workforce development program, may not be awarded to organizations that are owned or operated as pervasively sectarian organizations.

(b) Grants or contracts awarded under the federal Workforce Innovation and Opportunity Act, codified in Chapter 32 (commencing with Section 3101) of Title 29 of the United States Code, or any other state or federally funded workforce development program, shall comply with Section 4 of Article I and Section 5 of Article XVI of the California Constitution, state and federal civil rights laws, and the First Amendment to the United States Constitution in regard to pervasively sectarian organizations. These legal constraints include prohibitions on the discrimination against beneficiaries and staff based on protected categories and on the promoting of religious doctrine to advance sectarian beliefs.

SEC. 7. Section 14004.5 of the Unemployment Insurance Code is amended to read:

14004.5. The Consolidated Work Program Fund is hereby created in the State Treasury, for the receipt of all moneys deposited pursuant to the federal Workforce Innovation and Opportunity Act. The Employment Development Department shall be the entity responsible for administering this section. Moneys in the fund shall be made available, upon appropriation by the Legislature, to the department, for expenditure consistent with the purposes of the federal Workforce Innovation and Opportunity Act and the State Plan required by the federal Workforce Innovation and Opportunity Act.

SEC. 8. Section 14005 of the Unemployment Insurance Code is amended to read:

14005. For purposes of this division:

(a) “Board” means the California Workforce Development Board.

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

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

combined programs of rigorous and high-quality education, training, and other services that do all of the following:

(1) Align with the skill needs of industries in the economy of the state or regional economy involved.

(2) Prepare an individual to be successful in any of a full range of secondary or postsecondary education options, including apprenticeships registered under the National Apprenticeship Act of 1937 (29 U.S.C. Sec. 50 et seq.), except as in Section 3226 of Title 29 of the United States Code.

(3) Include counseling to support an individual in achieving the individual's education and career goals.

(4) Include, as appropriate, education offered concurrently with and in the same context as workforce preparation activities and training for a specific occupation or occupational cluster.

(5) Organize education, training, and other services to meet the particular needs of an individual in a manner that accelerates the educational and career advancement of the individual to the extent practicable.

(6) Enable an individual to attain a secondary school diploma or its recognized equivalent, and at least one recognized postsecondary credential.

(7) Help an individual enter or advance within a specific occupation or occupational cluster.

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

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

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

(g) "Evidence-based" means making use of policy research as a basis for determining best policy practices. Evidence-based policymakers adopt policies that research has shown to produce positive outcomes, in a variety of settings, for a variety of populations over time. Successful, evidence-based programs deliver quantifiable and sustainable results. Evidence-based practices differ from approaches that are based on tradition, belief, convention, or anecdotal evidence.

(h) "High-priority occupations" mean occupations that have a significant presence in a targeted industry sector or industry cluster, are in demand, or projected to be in demand, by employers, and pay or lead to payment of a wage that provides economic security.

(i) (1) "In-demand industry sector or occupation" means either of the following:

(A) An industry sector that has a substantial current or potential impact, including through jobs that lead to economic self-sufficiency and

opportunities for advancement, on the state, regional, or local economy, as appropriate, and that contributes to the growth or stability of other supporting businesses, or the growth of other industry sectors.

(B) An occupation that currently has or is projected to have a number of positions, including positions that lead to economic self-sufficiency and opportunities for advancement, in an industry sector so as to have a significant impact on the state, regional, or local economy, as appropriate.

(2) The determination of whether an industry sector or occupation is “in-demand” under this subdivision shall be made by the board or local board, or through the regional planning process in which local boards participate under the Workforce Innovation and Opportunity Act, as appropriate, using state and regional business and labor market projections, including the use of labor market information.

(j) “Individual with employment barriers” means an individual with any characteristic that substantially limits an individual’s ability to obtain employment, including indicators of poor work history, lack of work experience, or access to employment in nontraditional occupations, long-term unemployment, lack of educational or occupational skills attainment, dislocation from high-wage and high-benefit employment, low levels of literacy or English proficiency, disability status, or welfare dependency, including members of all of the following groups:

- (1) Displaced homemakers.
- (2) Low-income individuals.
- (3) Indians, Alaska Natives, and Native Hawaiians, as those terms are defined in Section 3221 of Title 29 of the United States Code.
- (4) Individuals with disabilities, including youths who are individuals with disabilities.
- (5) Older individuals.
- (6) Ex-offenders.
- (7) Homeless individuals, as defined in Section 14043e-2(6) of Title 42 of the United States Code, or homeless children and youths, as defined in Section 11434a(2) of Title 42 of the United States Code.
- (8) Youth who are in, or have aged out of, the foster care system.
- (9) Individuals who are English language learners, individuals who have low levels of literacy, and individuals facing substantial cultural barriers.
- (10) Eligible migrant and seasonal farmworkers, as defined in Section 3322(i) of Title 29 of the United States Code.
- (11) Individuals within two years of exhausting lifetime eligibility under Part A of Title IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.).
- (12) Single parents, including single, pregnant women.
- (13) Long-term unemployed individuals.
- (14) Any other groups as the Governor determines to have barriers to employment.

(k) “Industry cluster” means a geographic concentration or emerging concentration of interdependent industries with direct service, supplier, and research relationships, or independent industries that share common resources in a given regional economy or labor market. An industry cluster is a group

of employers closely linked by common product or services, workforce needs, similar technologies, and supply chains in a given regional economy or labor market.

(l) “Industry or sector partnership” means a workforce collaborative, convened or acting in partnership with the board or a local board, that does the following:

(1) Organizes key stakeholders in an industry cluster into a working group that focuses on the shared goals and human resources needs of the industry cluster and that includes, at the appropriate stage of development of the partnership:

(A) Representatives of multiple businesses or other employers in the industry cluster, including small and medium-sized employers when practicable.

(B) One or more representatives of a recognized state labor organization or central labor council, or another labor representative, as appropriate.

(C) One or more representatives of an institution of higher education with, or another provider of, education or training programs that support the industry cluster.

(2) The workforce collaborative may include representatives of any of the following:

(A) State or local government.

(B) State or local economic development agencies.

(C) State boards or local boards, as appropriate.

(D) A state workforce agency or other entity providing employment services.

(E) Other state or local agencies.

(F) Business or trade associations.

(G) Economic development organizations.

(H) Nonprofit organizations, community-based organizations, or intermediaries.

(I) Philanthropic associations.

(J) Industry associations.

(K) Other organizations, as determined to be necessary by the members comprising the industry sector or partnership.

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

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

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



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

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

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

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

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

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

(p) “Workforce Innovation and Opportunity Act of 2014” means the federal act enacted as Public Law 113-128.

SEC. 9. The heading of Article 1 (commencing with Section 14010) of Chapter 3 of Division 7 of the Unemployment Insurance Code is amended to read:

Article 1. California Workforce Development Board

SEC. 10. Section 14010 of the Unemployment Insurance Code is amended to read:

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

SEC. 11. Section 14012 of the Unemployment Insurance Code is amended to read:

14012. The board shall be appointed by the Governor to assist in the development of the State Plan and to carry out other functions, as described in Section 14103. The board shall be comprised of the Governor and representatives from the following categories:

(a) Two members of each house of the Legislature, appointed by the appropriate presiding officer of each house.

(b) A majority of board members shall be representatives of business who:

(1) Are owners of businesses, chief executives or operating officers of businesses, and other business executives or employers with optimum

policymaking or hiring authority, who, in addition, may be members of a local board described in Section 3122(b)(2)(A)(i) of Title 29 of the United States Code.

(2) Represent businesses, including small businesses, or organizations representing businesses that include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the state.

(3) Are appointed from a group of individuals nominated by state business organizations and business trade associations.

(c) (1) Not less than 20 percent of board members shall be representatives of the workforce within the state, including representatives of labor organizations nominated by state labor federations, who shall not be less than 15 percent of the board membership and who shall include at least one representative that is a member of a labor organization or a training director, from a joint labor-management apprenticeship program, or if no such joint program exists in the state, such a representative of an apprenticeship program in the state.

(2) Representatives appointed pursuant to this subdivision may include:

(A) Representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of individuals with barriers to employment, including organizations that serve veterans or that provide or support competitive, integrated employment for individuals with disabilities.

(B) Representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth.

(d) The balance of board members:

(1) Shall include representatives of government that are lead state officials with primary responsibility for the core programs and shall include chief elected officials, collectively representing cities, counties, and cities and counties where appropriate.

(2) May include other representatives and officials as the Governor may designate, like any of the following:

(A) State agency officials from agencies that are one-stop partners, not specified in paragraph (1), including additional one-stop partners whose programs are covered by the State Plan, if any.

(B) State agency officials responsible for economic development or juvenile justice programs in the state.

(C) Individuals who represent an Indian tribe or tribal organization, as those terms are defined in Section 3221(b) of Title 29 of the United States Code.

(D) State agency officials responsible for education programs in the state, including chief executive officers of community colleges and other institutions of higher education.

(e) Other requirements of board membership shall include:

(1) The Governor shall select a chairperson for the board from among the representatives described in subdivision (b).

(2) The members of the board shall represent diverse geographic areas of the state, including urban, rural, and suburban areas.

SEC. 12. 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, implementing, and modifying the State Plan. The State Plan shall serve as the comprehensive framework and coordinated plan for the aligned investment of all federal and state workforce training and employment services funding streams and programs. To the extent feasible and when appropriate, the state plan should reinforce and work with adult education and career technical education efforts that are responsive to labor market trends.

(c) The review of statewide policies, of statewide programs, and of recommendations on actions that should be taken by the state to align workforce, education, training, and employment funding programs in the state in a manner that supports a comprehensive and streamlined workforce development system in the state, including the review and provision of comments on the State Plan, if any, for programs and activities of one-stop partners that are not core programs.

(d) Developing and continuously improving the statewide workforce investment system, including:

(1) The identification of barriers and means for removing barriers to better coordinate, align, and avoid duplication among the programs and activities carried out through the system.

(2) The development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment, and including individuals with disabilities, with workforce investment activities, education, and supportive services to enter or retain employment. To the extent permissible under state and federal laws, these policies and strategies should support linkages between kindergarten and grades 1 to 12, inclusive, and community college educational systems in order to help 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.

(3) The development of strategies for providing effective outreach to and improved access for individuals and employers who could benefit from services provided through the workforce development system.

(4) The development and expansion of strategies for meeting the needs of employers, workers, and jobseekers, particularly through industry or sector partnerships related to in-demand industry sectors and occupations, including policies 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) 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) Incumbent worker training in accordance with Section 3174(d)(4) of Title 29 of the United States Code.

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

(E) Training programs operated by the private sector.

(F) Skill upgrading and retraining.

(G) Entrepreneurial training.

(H) Transitional jobs in accordance with Section 3174 (d)(5) of Title 29 of the United States Code.

(I) Job readiness training provided in combination with any of the services described in subparagraphs (A) to (H), inclusive.

(J) Adult education and literacy activities provided in combination with any of the services described subparagraphs (A) to (G), inclusive.

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

(e) The identification of regions, including planning regions, for the purposes of Section 3121(a) of Title 29 of the United States Code, and the designation of local areas under Section 3121 of Title 29 of the United States Code, after consultation with local boards and chief elected officials.

(f) The development and continuous improvement of the one-stop delivery system in local areas, including providing assistance to local boards, one-stop operators, one-stop partners, and providers with planning and delivering services, including training services and supportive services, to support effective delivery of services to workers, job seekers, and employers.

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

(h) Developing strategies to support staff training and awareness across programs supported under the workforce development system.

(i) The development and updating of comprehensive state performance accountability measures, including state adjusted levels of performance, to assess the effectiveness of the core programs in the state as required under Section 3141(b) of Title 29 of the United States Code. As part of this process the board shall do all of the following:

(1) Develop a workforce metrics dashboard, to be updated annually, that measures the state's human capital investments in workforce development

to better understand the collective impact of these investments on the labor market. The workforce metrics dashboard shall be produced using existing available data and resources that are currently collected and accessible to state agencies. The board shall convene workforce program partners to develop a standardized set of inputs and outputs for the workforce metrics dashboard. The workforce metrics dashboard shall do all of the following:

(A) Provide a status report on credential attainment, training completion, degree attainment, and participant earnings from workforce education and training programs. The board shall publish and distribute the final report.

(B) Provide demographic breakdowns, including, to the extent possible, race, ethnicity, age, gender, veteran status, wage and credential or degree outcomes, and information on workforce outcomes in different industry sectors.

(C) Measure, at a minimum and to the extent feasible with existing resources, the performance of the following workforce programs: community college career technical education, the Employment Training Panel, Title I and Title II of the federal Workforce Investment Act of 1998, Trade Adjustment Assistance, and state apprenticeship programs.

(D) Measure participant earnings in California, and to the extent feasible, in other states. The Employment Development Department shall assist the board by calculating aggregated participant earnings using unemployment insurance wage records, without violating any applicable confidentiality requirements.

(2) The State Department of Education is hereby authorized to collect the social security numbers of adults participating in adult education programs so that accurate participation in those programs can be represented in the report card. However, an individual shall not be denied program participation if he or she refuses to provide a social security number. The State Department of Education shall keep this information confidential and shall only use this information for tracking purposes, in compliance with all applicable state and federal law.

(3) (A) Participating workforce programs, as specified in clause subparagraph (C) of paragraph (1), shall provide participant data in a standardized format to the Employment Development Department.

(B) The Employment Development Department shall aggregate data provided by participating workforce programs and shall report the data, organized by demographics, earnings, and industry of employment, to the board to assist the board in producing the annual workforce metrics dashboard.

(j) The identification and dissemination of information on best practices, including best practices for all of the following:

(1) The effective operation of one-stop centers, relating to the use of business outreach, partnerships, and service delivery strategies, including strategies for serving individuals with barriers to employment.

(2) The development of effective local boards, which may include information on factors that contribute to enabling local boards to exceed

negotiated local levels of performance, sustain fiscal integrity, and achieve other measures of effectiveness.

(3) Effective training programs that respond to real-time labor market analysis, that effectively use direct assessment and prior learning assessment to measure an individual's prior knowledge, skills, competencies, and experiences, and that evaluate such skills, and competencies for adaptability, to support efficient placement into employment or career pathways.

(k) The development and review of statewide policies affecting the coordinated provision of services through the state's one-stop delivery system described in Section 3151(e) of Title 29 of the United States Code, including the development of all of the following:

(1) Objective criteria and procedures for use by local boards in assessing the effectiveness and continuous improvement of one-stop centers described in Section 3151(e) of Title 29 of the United States Code.

(2) Guidance for the allocation of one-stop center infrastructure funds under Section 3151(h) of Title 29 of the United States Code.

(3) Policies relating to the appropriate roles and contributions of entities carrying out one-stop partner programs within the one-stop delivery system, including approaches to facilitating equitable and efficient cost allocation in such a system.

(l) The development of strategies for technological improvements to facilitate access to, and improve the quality of, services and activities provided through the one-stop delivery system, including such improvements to all of the following:

(1) Enhance digital literacy skills, as defined in Section 9101 of Title 20 of the United States Code, referred to in this division as "digital literacy skills."

(2) Accelerate the acquisition of skills and recognized postsecondary credentials by participants.

(3) Strengthen the professional development of providers and workforce professionals.

(4) Ensure the technology is accessible to individuals with disabilities and individuals residing in remote areas.

(m) The development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures, including the design and implementation of common intake, data collection, case management information, and performance accountability measurement and reporting processes and the incorporation of local input into such design and implementation, to improve coordination of services across one-stop partner programs.

(n) The development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment activities, to local areas as permitted under Sections 3163(b)(3) and 3173(b)(3) of Title 29 of the United States Code.

(o) The preparation of the annual reports described in paragraphs (1) and (2) of Section 3141(d) of Title 29 of the United States Code.

(p) The development of the statewide workforce and labor market information system described in Section 491–2(e) of Title 29 of the United States Code.

(q) The development of such other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the state.

SEC. 13. Section 14017 of the Unemployment Insurance Code is amended to read:

14017. (a) In efforts to expand job training and employment for allied health professions, the California Workforce Development Board, in consultation with the Division of Apprenticeship Standards, shall do the following:

(1) Identify opportunities for “earn and learn” job training opportunities that meet the industry’s workforce demands and that are in high-wage, high-demand jobs.

(2) Identify and develop specific requirements and qualifications for entry into “earn and learn” job training models.

(3) Establish standards for “earn and learn” job training programs that are outcome oriented and accountable. The standards shall measure the results from program participation, including a measurement of how many complete the program with an industry-recognized credential that certifies that the individual is ready to enter the specific allied health profession for which he or she has been trained.

(4) Develop means to identify, assess, and prepare a pool of qualified candidates seeking to enter “earn and learn” job training models.

(b) (1) The board, on or before December 1, 2015, shall prepare and submit to the appropriate policy committees of the Legislature a report on the findings and recommendations of the board.

(2) The requirement for submitting a report imposed pursuant to this subdivision is inoperative on January 1, 2019, pursuant to Section 10231.5 of the Government Code.

SEC. 14. The heading of Article 2 (commencing with Section 14020) of Chapter 3 of Division 7 of the Unemployment Insurance Code is amended to read:

## Article 2. State Planning and Sectors

SEC. 15. Section 14020 of the Unemployment Insurance Code is amended to read:

14020. (a) The California Workforce Development Board, in collaboration with state and local partners, including the Chancellor of the California Community Colleges, the State Department of Education, other appropriate state agencies, and local workforce development boards, shall develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the

state's economic, demographic, and workforce needs. The strategic workforce plan shall be prepared in a manner consistent with the requirements of the federal Workforce Innovation and Opportunity Act of 2014.

(b) Consistent with the federal Workforce Innovation and Opportunity Act, the State Plan shall provide a framework for state workforce policies and support sector strategies.

(c) The California Workforce Development Board shall work collaboratively with state and local partners to identify ways to eliminate systemwide barriers and better align and leverage federal, state, and local Workforce Innovation and Opportunity Act funding streams, and other funding streams, and policies to develop, support, and sustain regional alliances of employers and workforce and education professionals who are working to improve the educational pipeline, establish well-articulated career pathways, provide industry-recognized credentials, certificates, and recognized postsecondary credentials, and address the career advancement needs of current and future workers in competitive and emergent industry sectors and clusters. The California Workforce Development Board and its partners shall work collaboratively to maximize state and local investments and pursue other resources to address the skills-gap needs identified pursuant to paragraph (3) of subdivision (d).

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

(1) Identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance to the state and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce development boards to identify industry sectors and industry clusters that have a competitive economic advantage and demonstrated economic importance in their respective local workforce development areas.

(2) Identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth for the state and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce development boards to identify new dynamic emergent industry sectors and industry clusters with substantial potential to generate new jobs and income growth in their respective local workforce development areas.

(3) Provide a skills-gap analysis enumerating occupational and skills shortages in the industry sectors and industry clusters identified as having strategic importance to the state's economy and its regional economies. In developing this analysis, the California Workforce Development Board shall consider the expertise of local workforce development boards in the state's respective regional economies and shall encourage the local workforce



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

(4) Establish, with input from local workforce development boards and other stakeholders, initial and subsequent eligibility criteria for the federal Workforce Innovation and Opportunity Act of 2014 eligible training provider list that effectively directs training resources into training programs leading to employment in high-demand, high-priority, and occupations that provide economic security, particularly those facing a shortage of skilled workers. The subsequent eligibility criteria, to the extent feasible, shall use performance and outcome measures to determine whether a provider is qualified to remain on the list. At a minimum, initial and subsequent eligibility criteria shall consider the following:

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

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

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

(D) The likelihood that the training program will lead to job 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.

(E) The need for basic skills in combination with programs that provide occupational skills training for individuals with barriers to employment and those who would otherwise be unable to enter occupational skills training.

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

(i) Measures of skills or competency attainment.

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

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

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

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

(G) The division of labor for making initial and subsequent eligibility determinations under this division shall be modeled on the division of labor envisioned in the federal Workforce Innovation and Opportunity Act of 2014.

(H) If the state receives a waiver from the federal subsequent eligibility provisions specified in the federal Workforce Innovation and Opportunity

Act of 2014, the state workforce development board shall establish its own subsequent eligibility criteria that take into account all of the criteria specified in subparagraphs (A) to (G), inclusive.

SEC. 16. Section 14022 of the Unemployment Insurance Code is repealed.

SEC. 17. The heading of Article 1 (commencing with Section 14200) of Chapter 4 of Division 7 of the Unemployment Insurance Code is amended to read:

#### Article 1. Local Workforce Development Board

SEC. 18. Section 14200 of the Unemployment Insurance Code is amended to read:

14200. (a) The local chief elected officials in a local workforce development area shall form, pursuant to guidelines established by the Governor and the board, a local workforce development board to plan and oversee the workforce investment system.

(b) The Governor shall periodically certify one local board for each local area in the state, following the requirements of the federal Workforce Innovation and Opportunity Act of 2014.

(c) The Governor shall establish, through the California Workforce Development Board, standards for certification of high-performance local workforce development boards. The California Workforce Development Board shall, in consultation with representatives from local workforce development boards, initiate a stakeholder process to determine the appropriate measurable metrics and standards for high-performance certification. These standards shall be implemented on or before January 1, 2013, and the first certification of high-performance boards shall occur on or before July 1, 2013. Certification and recertification of each high-performance local workforce development board shall occur thereafter midway through the implementation of the local and regional plans required by the Workforce Innovation and Opportunity Act. In order to meet the standards for certification, a high-performance local workforce development board shall do all of the following:

(1) Consistently meet or exceed negotiated performance goals for all of the measures in each of the three federal Workforce Innovation and Opportunity Act of 2014 customer groups, which consist of adults, dislocated workers, and youth.

(2) Consistently meet the statutory requirements of this division.

(3) Develop and implement local policies and a local strategic plan that meets all of the following requirements:

(A) Meets all local and regional planning requirements specified under the federal Workforce Innovation and Development Act of 2014.

(B) Is consistent with the California Workforce Development Board State Plan.

(C) Describes the actions that the board shall take to implement local policies in furtherance of its goals.

(D) Serves as a written account of intended future courses of action aimed at achieving the specific goals of the local and state board within a specific timeframe.

(E) Explains what needs to be done, by whom, and when each action is required to occur in order to meet those goals.

(4) Demonstrate that the local planning process involves key stakeholders, including the major employers and industry groups in the relevant regional economy and organized labor.

(5) Demonstrate that the local planning process takes into account the entire workforce training pipeline for the relevant regional economy, including partners in K–12 education, career technical education, the community college system, other postsecondary institutions, and other local workforce development areas operating in relevant regional economy.

(6) Demonstrate that the local planning process and plan are data driven, and that policy decisions at the local level are evidence based. Each high-performance local workforce development board shall use labor market data to develop and implement the local plan, taking care to steer resources into programs and services that are relevant to the needs of each workforce development area’s relevant regional labor market and high-wage industry sectors. Local workforce development areas shall demonstrate an evidence-based approach to policymaking by establishing performance benchmarks and targets to measure progress toward local goals and objectives.

(7) Demonstrate investment in workforce initiatives, and, specifically, training programs that promote skills development and career ladders relevant to the needs of each workforce investment area’s regional labor market and high-wage industry sectors.

(8) Establish a youth strategy aligned with the needs of each workforce investment area’s regional labor market and high-wage industry sectors.

(9) Establish a business service plan that integrates local business involvement with workforce initiatives. This plan at a minimum shall include all of the following:

(A) Efforts to partner with businesses to identify the workforce training and educational barriers to attract jobs in the relevant regional economy, existing skill gaps reducing the competitiveness of local businesses in the relevant regional economies, and potential emerging industries that would likely contribute to job growth in the relevant regional economy if investments were made for training and educational programs.

(B) An electronic system for both businesses and job seekers to communicate about job opportunities.

(C) A subcommittee of the local workforce development board that further develops and makes recommendations for the business service plan for each local workforce development board in an effort to increase employer involvement in the activities of the local workforce development board. The subcommittee members should be comprised of business representatives

on the local workforce development board who represent both the leading industries and employers in the relevant regional economy and potential emerging sectors that have significant potential to contribute to job growth in the relevant regional economy if investments were made for training and educational programs.

(d) The Governor and the Legislature, as part of the annual budget process, in consultation with the California Workforce Development Board, shall annually reserve a portion of the 15-percent discretionary fund made available pursuant to the federal Workforce Innovation and Opportunity Act of 2014 for the purpose of providing performance incentives to high-performance local workforce development boards. The remaining discretionary funds shall continue to be available for other discretionary purposes as provided for in the federal Workforce Innovation and Opportunity Act of 2014.

(e) Only a workforce development board that is certified as a high-performance local workforce development board by the California Workforce Development Board shall be eligible to receive any incentive money reserved for high-performance local workforce development boards, as described in subdivision (d). A board that is not certified as a high-performance local workforce development board shall not receive any portion of the money reserved for high-performance local workforce development boards, as described in subdivision (d).

(f) The California Workforce Development Board shall establish a policy for the allocation of incentive moneys to high-performance local workforce development boards.

(g) To the extent permitted by the Workforce Innovation and Opportunity Act of 2014, the California Workforce Development Board may consider the utilization of incentive grants, or direct assistance, or both, to local workforce development boards for the purposes of this section.

(h) There shall not be a requirement to set aside federal Workforce Innovation and Opportunity Act of 2014 funds for the purposes of subdivision (d), (e), (f), or (g) in years when the federal government significantly reduces the share of federal Workforce Innovation and Opportunity Act of 2014 funds appropriated to the state for statewide discretionary purposes below the federal statutory amount of 15 percent.

SEC. 19. Section 14201 of the Unemployment Insurance Code is amended to read:

14201. Local workforce development boards shall be established in each local workforce development area of the state to assist the local chief elected official in planning, oversight, and evaluation of local workforce investment. The local board shall promote effective outcomes consistent with statewide goals, objectives, and negotiated local performance standards.

SEC. 20. Section 14202 of the Unemployment Insurance Code is repealed.

SEC. 21. Section 14202 is added to the Unemployment Insurance Code, to read:

14202. The Governor, in partnership with the board, shall establish criteria for use by chief elected officials in the local areas for appointment of members of the local boards. Such criteria shall require that, at a minimum, all of the following:

(a) A majority of the members of each local board shall be representatives of business in the local area, who:

(1) Are owners of businesses, chief executives or operating officers of businesses, or other business executives or employers with optimum policymaking or hiring authority.

(2) Represent businesses, including small businesses, or organizations representing businesses described in this subdivision, that provide employment opportunities that, at a minimum, include high-quality, work-relevant training and development in in-demand industry sectors or occupations in the local area.

(3) Are appointed from among individuals nominated by local business organizations and business trade associations.

(b) Not less than 20 percent of the members of each local board shall be representatives of the workforce within the local area, who:

(1) Shall include representatives of labor organizations, for a local area in which employees are represented by labor organizations, who have been nominated by local labor federations and these representatives shall amount to not less than 15 percent of local board membership, and be subject to the following:

(A) For a local area in which no employees are represented by such organizations, other representatives of employees shall be appointed to the board but any local board that appoints representatives of employees that are not nominated by local labor federations shall demonstrate that no employees are represented by such organizations in the local area.

(B) Shall include a representative, who shall be a member of a labor organization or a training director, from a joint labor-management apprenticeship program, or if no such joint program exists in the area, such a representative of a state-approved apprenticeship program in the area, if such a program exists.

(2) May include representatives of community-based organizations that have demonstrated experience and expertise in addressing the employment needs of individuals with barriers to employment, including organizations that serve veterans or that provide or support competitive integrated employment for individuals with disabilities.

(3) May include representatives of organizations that have demonstrated experience and expertise in addressing the employment, training, or education needs of eligible youth, including representatives of organizations that serve out-of-school youth.

(c) Each local board shall include representatives of entities administering education and training activities in the local area, who:

(1) Shall include a representative of eligible providers administering adult education and literacy activities under Title II of the Workforce Innovation and Opportunity Act.

(2) Shall include a representative of institutions of higher education providing workforce investment activities, including community colleges.

(3) May include representatives of local educational agencies, and of community-based organizations with demonstrated experience and expertise in addressing the education or training needs of individuals with barriers to employment.

(d) Each local board shall include representatives of governmental and economic and community development entities serving the local area, who:

(1) Shall include a representative of economic and community development entities.

(2) Shall include an appropriate representative from the state employment service office under the Wagner-Peyser Act (29 U.S.C. Sec. 49 et seq.) serving the local area.

(3) Shall include an appropriate representative of the programs carried out under Title I of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.), other than Section 112 or Part C of that Title (29 U.S.C. Sec. 732, 741), serving the local area.

(4) May include representatives of philanthropic organizations serving the local area.

(e) Each local board may include such other individuals or representatives of entities as the chief elected official in the local area may determine to be appropriate.

SEC. 22. Section 14203 of the Unemployment Insurance Code is repealed.

SEC. 23. Section 14204 of the Unemployment Insurance Code is repealed.

SEC. 24. Section 14206 of the Unemployment Insurance Code is repealed.

SEC. 25. Section 14206 is added to the Unemployment Insurance Code, to read:

14206. Consistent with the requirements of the Workforce Innovation and Opportunity Act, the local board shall do all of the following:

(a) In partnership with the chief elected official for the local area involved, develop and submit a local plan to the Governor that meets the requirements of the Workforce Innovation and Opportunity Act. If the local area is part of a planning region that includes other local areas, the local board shall collaborate with the other local boards and chief elected officials from such other local areas in the preparation and submission of a regional plan as described in the Workforce and Innovation and Opportunity Act.

(b) In order to assist in the development and implementation of the local plan, the local board shall do all of the following:

(1) Carry out analyses of the economic conditions in the region, the needed knowledge and skills for the region, the workforce in the region, and workforce development activities, including education and training, in the region described in Section 3123(b)(1)(D) of Title 29 of the United States Code, and regularly update such information.

(2) Assist the Governor in developing the statewide workforce and labor market information system described in Section 15(e) of the Wagner-Peyser Act (29 U.S.C. Sec. 491-2(e)), specifically in the collection, analysis, and utilization of workforce and labor market information for the region.

(3) Conduct such other research, data collection, and analysis related to the workforce needs of the regional economy as the board, after receiving input from a wide array of stakeholders, determines to be necessary to carry out its functions.

(c) Convene local workforce development system stakeholders to assist in the development of the local plan under Section 3123 of Title 29 of the United States Code and in identifying nonfederal expertise and resources to leverage support for workforce development activities. The local board, including standing committees, may engage such stakeholders in carrying out the functions described in this subdivision.

(d) Lead efforts to engage with a diverse range of employers and with entities in the region involved to do all of the following:

(1) Promote business representation, particularly representatives with optimal policymaking or hiring authority from employers whose employment opportunities reflect existing and emerging employment opportunities in the region, on the local board.

(2) Develop effective linkages, including the use of intermediaries, with employers in the region to support employer utilization of the local workforce development system and to support local workforce investment activities.

(3) Ensure that workforce investment activities meet the needs of employers and support economic growth in the region, by enhancing communication, coordination, and collaboration among employers, economic development entities, and service providers.

(4) Develop and implement proven or promising strategies for meeting the employment and skill needs of workers and employers, like the establishment of industry and sector partnerships, that provide the skilled workforce needed by employers in the region, and that expand employment and career advancement opportunities for workforce development system participants in in-demand industry sectors or occupations.

(e) With representatives of secondary and postsecondary education programs, lead efforts in the local area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment.

(f) Lead efforts in the local area to accomplish both of the following:

(1) Identify and promote proven and promising strategies and initiatives for meeting the needs of employers, and workers and jobseekers, including individuals with barriers to employment, in the local workforce development system, including providing physical and programmatic accessibility, in accordance with Section 3248 of Title 29 of the United States Code, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.), to the one-stop delivery system.

(2) Identify and disseminate information on proven and promising practices carried out in other local areas for meeting these needs.

(g) Develop strategies for using technology to maximize the accessibility and effectiveness of the local workforce development system for employers, and workers and jobseekers, by doing all of the following:

(1) Facilitating connections among the intake and case management information systems of the one-stop partner programs to support a comprehensive workforce development system in the local area.

(2) Facilitating access to services provided through the one-stop delivery system involved, including facilitating the access in remote areas.

(3) Identifying strategies for better meeting the needs of individuals with barriers to employment, including strategies that augment traditional service delivery, and increase access to services and programs of the one-stop delivery system, such as improving digital literacy skills.

(4) Leveraging resources and capacity within the local workforce development system, including resources and capacity for services for individuals with barriers to employment.

(h) In partnership with the chief elected official for the local area, shall conduct oversight for local youth workforce investment activities as required under the federal Workforce Innovation and Opportunity Act, ensure the appropriate use and management of the funds as required under the Workforce Innovation and Opportunity Act, and, for workforce development activities, ensure the appropriate use, management, and investment of funds to maximize performance outcomes as required under the federal Workforce Innovation and Opportunity Act.

(i) Negotiate and reach agreement on local performance accountability measures, as described in Section 3141(c) of Title 29 of the United States Code, with the chief elected official and the Governor.

(j) Select and provide access to system operators, service providers, trainers, and educators, in a manner consistent with the requirements of the Workforce Innovation and Opportunity Act and applicable state laws, including all of the following:

(1) Consistent with Section 3151(d) of Title 29 of the United States Code, and with the agreement of the chief elected official for the local area, designate or certify one-stop operators as described in Section 3151(d)(2)(A) of Title 29 of the United States Code and terminate for cause the eligibility of these operators.

(2) Consistent with Section 3153 of Title 29 of the United States Code, identify eligible providers of youth workforce investment activities in the local area by awarding grants or contracts on a competitive basis, except as provided in Section 3153(b) of Title 29 of the United States Code, based on the recommendations of the youth standing committee, if such a committee is established for the local area and terminate for cause the eligibility of these providers.

(3) Consistent with Section 3152 of Title 29 of the United States Code and paragraph (4) of subdivision (d) of Section 14020, identify eligible providers of training services in the local area.



(4) If the one-stop operator does not provide career services described in Section 3174(c)(2) of Title 29 of the United States Code in a local area, identify eligible providers of those career services in the local area by awarding contracts.

(5) Consistent with Section 3152 of Title 29 of the United States Code and paragraphs (2) and (3) of Section 3174(c) of Title 29 of the United States Code, work with the state to ensure there are sufficient numbers and types of providers of career services and training services, including eligible providers with expertise in assisting individuals with disabilities and eligible providers with expertise in assisting adults in need of adult education and literacy activities, serving the local area and providing the services involved in a manner that maximizes consumer choice, as well as providing opportunities that lead to competitive integrated employment for individuals with disabilities.

(k) Consistent with the requirements of the Workforce Innovation and Opportunity Act, coordinate activities with education and training providers in the local area, including providers of workforce development activities, providers of adult education and literacy activities under Title II of the Workforce Innovation and Opportunity Act, providers of career and technical education, as defined in Section 2302 of Title 20 of the United States Code, and local agencies administering plans under Title I of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.), other than Section 112 or Part C of that Title (29 U.S.C. Sec. 732, 741).

SEC. 26. Section 14206.1 of the Unemployment Insurance Code is repealed.

SEC. 27. Section 14207 of the Unemployment Insurance Code is amended to read:

14207. The local board, in order to carry out its functions:

(a) Shall prepare a budget for the purpose of carrying out the duties of the local board as specified under this section, subject to the approval of the local chief elected official.

(b) Shall direct the activities of the local board's executive director.

(c) May employ additional staff to carry out the activities as described in the local board's plan.

(d) May solicit and accept contributions and grant funds from other sources.

(e) Shall not provide training services unless the Governor grants a written waiver in accordance with the process outlined in the Workforce Innovation and Opportunity Act.

(f) May provide career services described in Section 3174(c)(2) of Title 29 of the United States Code through a one-stop delivery system or be designated or certified as a one-stop operator only with the agreement of the chief elected official in the local area and the Governor.

SEC. 28. Section 14208 of the Unemployment Insurance Code is repealed.

SEC. 29. Section 14208 is added to the Unemployment Insurance Code, to read:

14208. A local workforce development board may establish as a standing committee to provide information and to assist with planning, operational, and other issues relating to the provision of services to youth, which shall include community-based organizations with a demonstrated record of success in serving eligible youth. Members of this committee shall be appointed in conformity with the requirements of the federal Workforce Innovation and Opportunity Act.

SEC. 30. Section 14209 of the Unemployment Insurance Code is amended to read:

14209. It is the intent of the Legislature that if appointing members to any standing committee on the provision of youth services, the local workforce investment board and the local chief elected official shall endeavor to appoint:

- (a) Representatives of youth who are enrolled in school and out-of-school youth.
- (b) Representatives from the private sector.
- (c) Representatives of local educational agencies serving youth.
- (d) Representatives of private nonprofit agencies serving youth.
- (e) Representatives of apprenticeship training programs serving youth.

SEC. 31. Section 14210 of the Unemployment Insurance Code is repealed.

SEC. 32. Section 14211 of the Unemployment Insurance Code is amended to read:

14211. (a) (1) Beginning program year 2012, an amount equal to at least 25 percent of funds available under Title I of the federal Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128) provided to local workforce investment boards for adults and dislocated workers shall be spent on workforce training programs. This minimum may be met either by spending 25 percent of those base formula funds on training or by combining a portion of those base formula funds with leveraged funds as specified in subdivision (b).

(2) Beginning program year 2016, an amount equal to at least 30 percent of funds available under Title I of the federal Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128) provided to local workforce development boards for adults and dislocated workers shall be spent on workforce training programs. This minimum may be met either by spending 30 percent of those base formula funds on training or by combining a portion of those base formula funds with leveraged funds as specified in subdivision (b).

(3) Expenditures that shall count toward the minimum percentage of funds shall include only training services as defined in Section 3174(c)(3)(D) of Title 29 of the United States Code and the corresponding sections of the Code of Federal Regulations, including all 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) Incumbent worker training in accordance with Section 3174(d)(4) of Title 29 of the United States Code.

(H) Transitional jobs in accordance with Section 3174(d)(5) of Title 29 of the United States Code.

(I) Job readiness training provided in combination with any of the services described in subparagraphs (A) to (H), inclusive.

(J) Adult education and literacy activities provided in combination with services described in any of subparagraphs (A) to (G), inclusive.

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

(b) (1) Local workforce development boards may receive a credit of up to 10 percent of their adult and dislocated worker formula fund base allocations for public education and training funds and private resources from industry and from joint labor-management trusts that are leveraged by a local workforce development board for training services described in paragraph (3) of subdivision (a). This credit may be applied toward the minimum training requirements in paragraphs (1) and (2) of subdivision (a).

(A) Leveraged funds that may be applied toward the credit allowed by this subdivision shall only include the following:

(i) Federal Pell Grants established under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Sec. 1070 et seq.).

(ii) Programs authorized by the federal Workforce Innovation and Opportunity Act of 2014 (Public Law 113-128).

(iii) Trade adjustment assistance.

(iv) Department of Labor National Emergency Grants.

(v) Match funds from employers, industry, and industry associations.

(vi) Match funds from joint labor-management trusts.

(vii) Employment training panel grants.

(B) Credit for leveraged funds shall only be given if the local workforce development board keeps records of all training expenditures it chooses to apply to the credit. Training expenditures may only be applied to the credit if the relevant training costs can be independently verified by the Employment Development Department and training participants must be coenrolled in the federal Workforce Innovation and Opportunity Act of 2014 performance monitoring system.

(2) The use of leveraged funds to partially meet the training requirements specified in paragraphs (1) and (2) of subdivision (a) is the prerogative of a local workforce development board. Costs arising from the recordkeeping required to demonstrate compliance with the leveraging requirements of this subdivision are the responsibility of the local board.

(c) Beginning program year 2012, the Employment Development Department shall calculate for each local workforce development board, within six months after the end of the second program year of the two-year period of availability for expenditure of federal Workforce Innovation and Opportunity Act of 2014 funds, whether the local workforce development board met the requirements of subdivision (a). The Employment Development Department shall provide to each local workforce development board its individual calculations with respect to the expenditure requirements of subdivision (a).

(d) A local workforce development area that does not meet the requirements of subdivision (a) shall submit a corrective action plan to the Employment Development Department that provides reasons for not meeting the requirements and describes actions taken to address the identified expenditure deficiencies. A local workforce development area shall provide a corrective action plan to the Employment Development Department pursuant to this section within 90 days of receiving the calculations described in subdivision (c).

(e) For the purpose of this section, “program year” has the same meaning as provided in Section 667.100 of Title 20 of the Code of Federal Regulations.

SEC. 33. Section 14220 of the Unemployment Insurance Code is amended to read:

14220. Each local board shall develop and submit to the Governor a comprehensive four-year local plan in partnership with the appropriate chief local elected official. The local plan shall be consistent with the State Plan. If the local area is part of a planning region, the local board shall comply with Section 3121(c) of Title 29 of the United States Code in the preparation and submission of a regional plan. At the end of the first two-year period of the four-year local plan, each local board shall review the local plan and the local board, in partnership with the chief elected official, shall prepare and submit modifications to the local plan to reflect changes in labor market and economic conditions or in other factors affecting the implementation of the local plan.

SEC. 34. Section 14221 of the Unemployment Insurance Code is repealed.

SEC. 35. Section 14221 is added to the Unemployment Insurance Code, to read:

14221. The local plan shall include all of the following:

(a) A description of the strategic planning elements consisting of each of the following:

(1) An analysis of the regional economic conditions, including, existing and emerging in-demand industry sectors and occupations and the employment needs of employers in those industry sectors and occupations.

(2) An analysis of the knowledge and skills needed to meet the employment needs of the employers in the region, including employment needs in in-demand industry sectors and occupations.

(3) An analysis of the workforce in the region, including current labor force employment and unemployment data, and information on labor market trends, and the educational and skill levels of the workforce in the region, including individuals with barriers to employment.

(4) An analysis of the workforce development activities, including education and training, in the region, including an analysis of the strengths and weaknesses of such services, and the capacity to provide such services, to address the identified education and skill needs of the workforce and the employment needs of employers in the region.

(5) A description of the local board's strategic vision and goals for preparing an educated and skilled workforce, including youth and individuals with barriers to employment, including goals relating to the performance accountability measures based on primary indicators of performance described in Section 3141(b)(2)(A) of Title 29 of the United States Code in order to support regional economic growth and economic self-sufficiency.

(6) Taking into account analyses described in paragraphs (1) to (4), inclusive, a strategy to work with the entities that carry out the core programs to align resources available to the local area, to achieve the strategic vision and goals described in paragraph (5).

(b) A description of the workforce development system in the local area that identifies the programs that are included in that system and how the local board will work with the entities carrying out core programs and other workforce development programs to support alignment to provide services, including programs of study authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. 2301 et seq.), that support the strategy identified in the State Plan under Section 3112(b)(1)(E) of the Title 29 of the United States Code.

(c) A description of how the local board, working with the entities carrying out core programs, will expand access to employment, training, education, and supportive services for eligible individuals, particularly eligible individuals with barriers to employment, including how the local board will facilitate the development of career pathways and co-enrollment, as appropriate, in core programs, and improve access to activities leading to a recognized postsecondary credential, including a credential that is an industry-recognized certificate or certification, portable, and stackable.

(d) A description of the strategies and services that will be used in the local area in order to facilitate engagement of employers, including small employers and employers in in-demand industry sectors and occupations, in workforce development programs, support a local workforce development system that meets the needs of businesses in the local area, better coordinate workforce development programs and economic development, and strengthen linkages between the one-stop delivery system and unemployment insurance programs. This may include the implementation of initiatives such as incumbent worker training programs, on-the-job training programs, customized training programs, industry and sector strategies, career pathways initiatives, utilization of effective business intermediaries, and other business services and strategies, designed to meet the needs of employers in the

corresponding region in support of the strategy described in paragraph (5) of subdivision (a).

(e) A description of how the local board will coordinate workforce investment activities carried out in the local area with economic development activities carried out in the region in which the local area is located, or planning region, and promote entrepreneurial skills training and microenterprise services.

(f) A description of the one-stop delivery system in the local area, including all of the following:

(1) A description of how the local board will ensure the continuous improvement of eligible providers of services through the system and ensure that such providers meet the employment needs of local employers, and workers and jobseekers.

(2) A description of how the local board will facilitate access to services provided through the one-stop delivery system, including in remote areas, through the use of technology and through other means.

(3) A description of how entities within the one-stop delivery system, including one-stop operators and the one-stop partners, will comply with Section 3248 of Title 29 of the United States Code, if applicable, and applicable provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.) regarding the physical and programmatic accessibility of facilities, programs and services, technology, and materials for individuals with disabilities, including providing staff training and support for addressing the needs of individuals with disabilities.

(4) A description of the roles and resource contributions of the one-stop partners.

(g) A description and assessment of the type and availability of adult and dislocated worker employment and training activities in the local area.

(h) A description of how the local board will coordinate workforce investment activities carried out in the local area with statewide rapid response activities, as described in Section 3174(a)(2)(A) of Title 29 of the United States Code.

(i) A description and assessment of the type and availability of youth workforce investment activities in the local area, including activities for youth who are individuals with disabilities, which description and assessment shall include an identification of successful models of such youth workforce investment activities.

(j) A description of how the local board will coordinate education and workforce investment activities carried out in the local area with relevant secondary and postsecondary education programs and activities to coordinate strategies, enhance services, and avoid duplication of services.

(k) A description of how the local board will coordinate workforce investment activities carried out under this article in the local area with the provision of transportation, including public transportation, and other appropriate supportive services in the local area.

(l) A description of plans and strategies for, and assurances concerning, maximizing coordination of services provided by the state employment

service under the Wagner-Peyser Act (29 U.S.C. Sec. 49 et seq.) and services provided in the local area through the one-stop delivery system, to improve service delivery and avoid duplication of services.

(m) A description of how the local board will coordinate workforce investment activities carried out in the local area with the provision of adult education and literacy activities in the local area, including a description of how the local board will carry out, consistent with subparagraphs (A) and (B)(i) of Section 3122(d)(11) of Title 29 of the United States Code and Section 3322 of Title 29 of the United States Code, the review of local applications.

(n) A description of the replicated cooperative agreements, as defined in Section 3122(d)(11) of Title 29 of the United States Code between the local board or other local entities described in Section 101(a)(11)(B) of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 721(a)(11)(B)) and the local office of a designated state agency or designated state unit administering programs carried out under Title I of that act, other than Section 112 or Part C of that Title (29 U.S.C. Secs. 732 and 741) and subject to Section 3151(f) of Title 29 of the United States Code, in accordance with Section 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 721(a)(11)) with respect to efforts that will enhance the provision of services to individuals with disabilities and to other individuals, such as cross training of staff, technical assistance, use and sharing of information, cooperative efforts with employers, and other efforts at cooperation, collaboration, and coordination.

(o) An identification of the entity responsible for the disbursement of grant funds described in Section 3122(d)(12)(B)(i)(III) of Title 29 of the United States Code, as determined by the chief elected official or the Governor under Section 3122(d)(12)(B)(i) of Title 29 of the United States Code.

(p) A description of the competitive process to be used to award the subgrants and contracts in the local area for activities carried out pursuant to this act.

(q) A description of the local levels of performance negotiated with the Governor and chief elected official pursuant to Section 3141(c) of Title 29 of the United States Code, to be used to measure the performance of the local area and to be used by the local board for measuring the performance of the local fiscal agent, where appropriate, eligible providers, and the one-stop delivery system, in the local area.

(r) A description of the actions the local board will take toward becoming or remaining a high-performing board, consistent with the factors developed by the board pursuant to Section 3111(d)(6) of Title 29 of the United States Code. This federal requirement is separate and apart from state standards pertaining to the certification of high-performance local workforce development boards.

(s) A description of how training services will be provided in accordance with Section 3174(c)(3)(G) of Title 29 of the United States Code, including, if contracts for the training services will be used, how the use of such contracts will be coordinated with the use of individual training accounts and how the local board will ensure informed customer choice in the

selection of training programs regardless of how the training services are to be provided.

(t) A description of the process used by the local board, consistent with subsection (d), to provide an opportunity for public comment, including comment by representatives of businesses and comment by representatives of labor organizations, and input into the development of the local plan, prior to submission of the plan.

(u) A description of how one-stop centers are implementing and transitioning to an integrated, technology-enabled intake and case management information system for programs carried out under this act and programs carried out by one-stop partners.

(v) Any other information as the Governor may require.

SEC. 36. Section 14222 of the Unemployment Insurance Code is amended to read:

14222. To the extent permitted under the federal Workforce Innovation and Opportunity Act, the local board may submit a local unified plan that includes or integrates the local workforce investment and other local workforce plans such as:

(a) An instructional and job training plan required by Section 10200 of the Education Code.

(b) A plan for community college curriculum development or redesign required pursuant to Section 79202 of the Education Code.

(c) A county plan for CalWORKs required by Section 10531 of the Welfare and Institutions Code.

(d) A local welfare-to-work plan required by Section 5063, to the extent permitted under federal law.

SEC. 37. Section 14223 of the Unemployment Insurance Code is amended to read:

14223. Prior to the date upon which the local board submits a local plan, the local board shall make available copies of a proposed local plan to the public through electronic and other means, like public hearings and local news media, allow members of the public, including representatives of business, representatives of labor organizations, and representatives of education to submit comments on the proposed local plan to the local board not later than the end of the 30-day period beginning on the date on which the proposed local plan is made available and submit the plan to the Governor along with any comments that were in disagreement with the plan.

SEC. 38. Section 14230 of the Unemployment Insurance Code is amended to read:

14230. (a) It is the intent of the Legislature that:

(1) California deliver comprehensive workforce services to jobseekers, students, and employers through a system of one-stop career centers.

(2) Services and resources target high-wage industry sectors with career advancement opportunities.

(3) Universal access to career services shall be available to adult residents regardless of income, education, employment barriers, or other eligibility requirements. Career services shall include, but not be limited to:



(A) Outreach, intake, and orientation to services available through the one-stop delivery system.

(B) Initial assessment of skill levels, aptitudes, abilities, and supportive service needs.

(C) Job search and placement assistance.

(D) Career counseling, where appropriate.

(E) Provision of labor market information.

(F) Provision of program performance and cost information on eligible providers of training services and local area performance measures.

(G) Provision of information on supportive services in the local area.

(H) Provision of information on the filing of claims for unemployment compensation benefits and unemployment compensation disability benefits.

(I) Assistance in establishing eligibility for welfare-to-work activities pursuant to Section 11325.8 of the Welfare and Institutions Code, and financial aid assistance.

(J) Comprehensive and specialized assessments of skill levels and service needs, including learning disability screening.

(K) Development of individual employment plans.

(L) Counseling.

(M) Career planning.

(N) Short-term prevocational services to prepare an individual for training or employment.

(4) State and federally funded workforce education, training, and employment programs shall be integrated in the one-stop delivery system to achieve universal access to the career services described in paragraph (3).

(5) Training services shall be made available to individuals who have met the requirements for career services, have been unable to obtain or retain employment through career services, are in need of training services to obtain or retain employment that leads to economic self-sufficiency or wages comparable to, or higher than, wages from previous employment, have the skills and qualifications to successfully participate in the training, and have selected a program of services directly linked to occupations in demand in the local or regional area. Training services may include:

(A) Occupational skill training including training for nontraditional employment.

(B) On-the-job training.

(C) Programs that combine workplace training with related instruction.

(D) Training programs operated by the private sector.

(E) Skill upgrading and retraining.

(F) Entrepreneurial training.

(G) Incumbent worker training, in accordance with Section 134(d)(4) of the Workforce Innovation and Opportunity Act.

(H) Transitional jobs, in accordance with Section 134(d)(5) of the Workforce Innovation and Opportunity Act.

(I) Job readiness training, provided in combination with any service under subparagraphs (A) to (H), inclusive.

(J) Adult education and literacy activities, including vocational English as a second language, provided in combination with subparagraphs (A) through (G), inclusive.

(K) Customized training conducted by an employer or a group of employers or a labor-management training partnership with a commitment to employ an individual upon completion of the training.

(6) As prescribed in the Workforce Innovation and Opportunity Act, adult recipients of public assistance, other low-income adults, and individuals who are basic skills deficient shall be given priority for training services and career services described in Section 134(d)(2)(A)(xii) of the Workforce Innovation and Opportunity Act.

(b) Each local workforce development board shall establish at least one full service one-stop career center in the local workforce development area. Each full service one-stop career center shall have all entities required to be partners in Section 3151 of Title 29 of the United States Code as partners and shall provide jobseekers with integrated employment, education, training, and job search services. Additionally, employers will be provided with access to comprehensive career and labor market information, job placement, economic development information, performance and program information on service providers, and other such services as the businesses in the community may require.

(c) Local boards may also establish affiliated and specialized centers, as defined in the Workforce Innovation and Opportunity Act of 2014, which shall act as portals into the larger local one-stop system, but are not required to have all of the partners specified for full service one-stop centers.

(d) Each local board shall develop a policy for identifying individuals who, because of their skills or experience, should be referred immediately to training services. To the extent permitted under the Workforce Innovation and Opportunity Act of 2014, this policy, along with the methods for referral of individuals between the one-stop operators and the one-stop partners for appropriate services and activities, shall be contained in the memorandum of understanding between the local board and the one-stop partners.

(e) The California Workforce Development Board and each local board shall ensure that programs and services funded by the Workforce Innovation and Opportunity Act of 2014 and directed to apprenticeable occupations, including preapprenticeship training, are conducted, to the maximum extent feasible, in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area. The California Workforce Development Board and each local board shall also develop a policy of fostering collaboration between community colleges and approved apprenticeship programs in the geographic area to provide preapprenticeship training, apprenticeship training, and continuing education in apprenticeable occupations through the approved apprenticeship programs.

(f) In light of California's diverse population, each one-stop career center should have the capacity to provide the appropriate services to the full range

of languages and cultures represented in the community served by the one-stop career center.

SEC. 39. Section 14230.5 of the Unemployment Insurance Code is amended to read:

14230.5. For purposes of this division and any laws governing workforce development programs, and to the extent permitted under Chapter 32 of Title 29 of the United States Code and any related regulations, entrance into a registered apprenticeship program shall be considered placement into a job.

SEC. 40. Section 14231 of the Unemployment Insurance Code is amended to read:

14231. (a) The local providers of the following programs or activities shall be required partners in the local one-stop system:

(1) Programs authorized under Title I of the Workforce Innovation and Opportunity Act.

(2) Programs authorized under the Wagner-Peyser Act (29 U.S.C. Sec. 49 et seq.).

(3) Adult education and literacy activities authorized under Title II of the Workforce Innovation and Opportunity Act.

(4) Programs authorized under Title I of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.) other than Section 112 or Part C of the act (29 U.S.C. Sec. 732 and 741).

(5) Activities authorized under Title V of the Older Americans Act of 1965 (42 U.S.C. Sec. 3056 et seq.).

(6) Career and technical education programs at the postsecondary level authorized under the Carl D. Perkins Career and Technical Education Act of 2006 (20 U.S.C. Sec. 2301 et seq.).

(7) Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (19 U.S.C. Sec. 2271 et seq.).

(8) Activities authorized under Chapter 41 (commencing with Section 4100) of Title 38 of the United States Code.

(9) Employment and training activities carried out under the Community Services Block Grant Act (42 U.S.C. Sec. 9901 et seq.).

(10) Employment and training activities carried out by the Department of Housing and Urban Development.

(11) Programs authorized by this code, in accordance with applicable federal law.

(12) Programs authorized under Section 212 of the Second Chance Act of 2007 (42 U.S.C. Sec. 17532).

(13) Programs authorized under Part A of Title IV of the Social Security Act (42 U.S.C. Sec. 601 et seq.).

(b) Community-based organizations that provide career services as described in subparagraphs (J) to (N), inclusive, of paragraph (1) of subdivision (a) of Section 14230, shall be encouraged to be one-stop partners.

SEC. 41. Section 14232 of the Unemployment Insurance Code is amended to read:

14232. In conformity with the requirements of Section 3151 of Title 29 of the United States Code, and all applicable state and federal laws and regulations, the local board, with the agreement of the chief local elected official for the local area, shall develop and enter into a memorandum of understanding with the local one-stop partners, designate, certify, and terminate one-stop operators, and conduct oversight over the local one-stop delivery system.

SEC. 42. Section 14235 of the Unemployment Insurance Code is amended to read:

14235. To the full extent permitted by federal law, required by federal law, or both, the Employment Development Department shall utilize its Wagner-Peyser funded activities and programs to support local one-stop career centers.

SEC. 43. Section 14500 of the Unemployment Insurance Code is amended to read:

14500. Notwithstanding any other provision of law, when a person using his or her Workforce Innovation and Opportunity Act individual training account enrolls in an adult education program, a noncredit curricula program at a community college, or a regional occupational center or program, for which state funds are allocated, all of the following shall apply:

(a) The entities administering the program may use Workforce Innovation and Opportunity Act individual training account funds only to increase the number of hours of services provided above their adult block entitlement pursuant to Section 52616 of the Education Code and funding limit for regional occupational center programs for the purpose of enhancing services already supported with state funds. Any state funds provided to these entities above their adult block entitlements and funding limit for regional occupational center programs shall be subject to an appropriation in the annual Budget Act.

(b) Any state funds allocated to the entity administering the program shall not be offset with the Workforce Innovation and Opportunity Act individual training account funds.

(c) The entity administering the program shall use the Workforce Innovation and Opportunity Act individual training account funds received for the program.

SEC. 44. Section 14510 of the Unemployment Insurance Code is amended to read:

14510. To the extent permitted by federal law, school districts and county offices of education are eligible to apply to local workforce development boards to provide basic skills training and skills necessary for attaining a secondary school diploma.

SEC. 45. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because this act implements a federal law or regulation and results only in costs mandated by the federal government, within the meaning of Section 17556 of the Government Code.