

AMENDED IN SENATE AUGUST 18, 2016

AMENDED IN SENATE AUGUST 10, 2016

AMENDED IN ASSEMBLY MARCH 26, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 1508**

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**Introduced by Assembly Member Mullin**

March 4, 2015

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An act to amend Section 14211 of the Unemployment Insurance Code, relating to workforce ~~development~~, *development*, and declaring the urgency thereof, to take effect immediately.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1508, as amended, Mullin. Workforce investment boards: funding.

The federal Workforce Innovation and Opportunity Act of 2014 provides for workforce investment activities, including activities in which states may participate. Existing law contains various programs for job training and employment investment, including work incentive programs, as specified, and establishes local workforce investment boards to perform duties related to the implementation and coordination of local workforce investment activities. Existing law requires local workforce investment boards to spend a minimum percentage of specified funds for adults and dislocated workers on federally identified workforce training programs and allows the boards to leverage specified funds to meet the funding requirements, as specified. Existing law authorizes a credit of up to 10% of that funding minimum for leveraged funds, which include Pell Grants and employment training panel grants.

This bill would expand the types of services to which leveraged funds may be applied to include supportive services and would expand the

types of leveraged funds that may be applied to the 10% credit, described above, to include specified federal, local, state, and private funds.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: ~~majority~~<sup>2/3</sup>. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

1 SECTION 1. Section 14211 of the Unemployment Insurance  
2 Code is amended to read:

3 14211. (a) (1) Beginning program year 2012, an amount equal  
4 to at least 25 percent of funds available under Title I of the federal  
5 Workforce Innovation and Opportunity Act of 2014 (Public Law  
6 113-128) provided to local workforce investment boards for adults  
7 and dislocated workers shall be spent on workforce training  
8 programs. This minimum may be met either by spending 25 percent  
9 of those base formula funds on training or by combining a portion  
10 of those base formula funds with leveraged funds as specified in  
11 subdivision (b).

12 (2) Beginning program year 2016, an amount equal to at least  
13 30 percent of funds available under Title I of the federal Workforce  
14 Innovation and Opportunity Act of 2014 (Public Law 113-128)  
15 provided to local workforce development boards for adults and  
16 dislocated workers shall be spent on workforce training programs.  
17 This minimum may be met either by spending 30 percent of those  
18 base formula funds on training or by combining a portion of those  
19 base formula funds with leveraged funds as specified in subdivision  
20 (b).

21 (3) Except as provided in subdivision (b), expenditures that  
22 shall count toward the minimum percentage of funds shall include  
23 only training services as defined in Section 3174(c)(3)(D) of Title  
24 29 of the United States Code and the corresponding sections of  
25 the Code of Federal Regulations, including all of the following:

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

28 (B) On-the-job training.

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

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

1 (E) ~~Skill~~Skills upgrading and retraining.

2 (F) Entrepreneurial training.

3 (G) Incumbent worker training in accordance with Section  
4 3174(d)(4) of Title 29 of the United States Code.

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

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

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

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

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

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

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

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

30 (iii) Trade adjustment assistance.

31 (iv) Department of Labor National Emergency Grants.

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

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

35 (vii) Employment training panel grants.

36 (viii) Supportive services as defined by the federal Workforce  
37 Innovation and Opportunity Act of 2014 (Public Law 113-128)  
38 and the corresponding sections of the Code of Federal Regulations,  
39 but only for those individuals enrolled in training services, as  
40 defined in Section 3174(c)(3)(D) of Title 29 of the United States

1 Code and the corresponding sections of the Code of Federal  
2 Regulations.

3 (ix) Temporary Assistance for Needy Families (TANF) funds  
4 spent on supportive services, as defined by the federal Workforce  
5 Innovation and Opportunity Act of 2014 (Public Law 113-128)  
6 and the corresponding sections of the Code of Federal Regulations,  
7 for TANF enrolled individuals coenrolled in and receiving training  
8 services through the federal Workforce Innovation and Opportunity  
9 Act of 2014.

10 (x) Temporary Assistance for Needy Families (TANF) funds  
11 spent on transitional and subsidized employment for TANF  
12 enrolled individuals coenrolled in and receiving training services  
13 through the federal Workforce Innovation and Opportunity Act of  
14 2014.

15 (xi) Any other local, state, or federal funds spent on training or  
16 supportive services for individuals enrolled in training provided  
17 the individuals receiving the training are enrolled in the federal  
18 Workforce Innovation and Opportunity Act of 2014 for  
19 performance reporting and tracking purposes.

20 (xii) With the approval of the state board, any other public or  
21 private funds source not identified in this subparagraph that is used  
22 to provide training or supportive services for individuals who are  
23 also enrolled in training provided the individuals receiving the  
24 relevant services are enrolled in the federal Workforce Innovation  
25 and Opportunity Act of 2014 for performance reporting and  
26 tracking purposes.

27 (B) Credit for leveraged funds shall only be given if the local  
28 workforce development board keeps records of all training and  
29 supportive services expenditures it chooses to apply to the credit.  
30 Training and supportive services expenditures may only be applied  
31 to the credit if the relevant costs can be independently verified by  
32 the Employment Development Department and, without exception,  
33 training participants must be coenrolled in the federal Workforce  
34 Innovation and Opportunity Act of 2014 performance monitoring  
35 system.

36 (2) The use of leveraged funds to partially meet the training  
37 requirements specified in paragraphs (1) and (2) of subdivision  
38 (a) is the prerogative of a local workforce development board.  
39 Costs arising from the recordkeeping required to demonstrate

1 compliance with the leveraging requirements of this subdivision  
2 are the responsibility of the local board.

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

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

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

25 *SEC. 2. This act is an urgency statute necessary for the*  
26 *immediate preservation of the public peace, health, or safety within*  
27 *the meaning of Article IV of the Constitution and shall go into*  
28 *immediate effect. The facts constituting the necessity are:*

29 *Making these changes to the training mandate immediately*  
30 *ensures that they are enacted before the local workforce*  
31 *development boards are required to submit their local and regional*  
32 *plans, due March 2017. Timely submission of these plans is critical*  
33 *to the provision of services that provide access to job, skill*  
34 *development, and business services vital to the social and economic*  
35 *well-being of communities in the state.*