

AMENDED IN SENATE JUNE 23, 2016  
AMENDED IN SENATE JUNE 13, 2016  
AMENDED IN ASSEMBLY MAY 4, 2016  
AMENDED IN ASSEMBLY APRIL 26, 2016  
AMENDED IN ASSEMBLY APRIL 12, 2016  
AMENDED IN ASSEMBLY MARCH 29, 2016  
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2719**

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**Introduced by Assembly Member Eduardo Garcia**  
(Principal coauthor: Senator Hueso)  
(Coauthor: Assembly Member Brown)

February 19, 2016

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An act to amend Sections 14005, 14013, 14200, 14206, 14221, and 14510 of the Unemployment Insurance Code, relating to workforce development.

LEGISLATIVE COUNSEL'S DIGEST

AB 2719, as amended, Eduardo Garcia. Workforce development: out-of-school youth.

The federal Workforce Innovation and Opportunity Act of 2014 provides for workforce investment activities, including activities in which states may participate. The California Workforce Innovation and Opportunity Act of 2014 (state act) establishes the California Workforce Development Board, which is responsible for assisting the Governor in the development and continuous improvement of California's workforce investment system. The state act also contains various

programs for job training and employment investment, as specified. The state act requires the board to assist the Governor in helping individuals with barriers to employment achieve economic security and upward mobility by implementing policies that encourage the attainment of marketable skills relevant to current labor market trends. The state act defines an individual with employment barriers to include youths who are individuals with disabilities, homeless youths, and youths who are in, or who have aged out of, the foster care system.

This bill would include within the definition of an individual with employment barriers an out-of-school youth, as defined, would revise the duties of the board regarding out-of-school youth, as specified, and would define a school operating in partnership with United States Department of Labor programs, as specified.

Existing law requires the local chief elected officials in a local workforce development area to form, pursuant to specified guidelines, a local workforce development board to, among other things, plan and oversee the workforce development system and develop a comprehensive 4-year local plan. Existing law requires the Governor to establish, through the California Workforce Development Board, standards for certification of high-performance local workforce investment boards, in accordance with specified criteria. Existing law requires the local workforce development boards to, with representatives of secondary and postsecondary education programs, lead efforts in the local area to develop and implement career pathways within the local area. Existing law provides that 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.

This bill would revise the criteria to include references to out-of-school youth and schools operating in partnership with United States Department of Labor programs, as specified, and, for the purposes of that requirement on local workforce development boards to lead efforts to develop and implement career pathways, provide that secondary and postsecondary education programs include specified entities. The bill would instead provide that school districts, county offices of education, and schools operating in partnership with United States Department of Labor programs are eligible to apply to local workforce development boards to provide basic skills training and skills necessary for attaining a secondary school diploma, as specified.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

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

- 1 SECTION 1. Section 14005 of the Unemployment Insurance  
2 Code is amended to read:  
3 14005. For purposes of this division:  
4 (a) “Board” means the California Workforce Development  
5 Board.  
6 (b) “Agency” means the Labor and Workforce Development  
7 Agency.  
8 (c) “Career pathways,” “career ladders,” or “career lattices” are  
9 an identified series of positions, work experiences, or educational  
10 benchmarks or credentials with multiple access points that offer  
11 occupational and financial advancement within a specified career  
12 field or related fields over time. “Career pathways,” “career  
13 ladders,” and “career lattices” offer combined programs of rigorous  
14 and high-quality education, training, and other services that do all  
15 of the following:  
16 (1) Align with the skill needs of industries in the economy of  
17 the state or regional economy involved.  
18 (2) Prepare an individual to be successful in any of a full range  
19 of secondary or postsecondary education options, including  
20 apprenticeships registered under the National Apprenticeship Act  
21 of 1937 (29 U.S.C. Sec. 50 et seq.), except as in Section 3226 of  
22 Title 29 of the United States Code.  
23 (3) Include counseling to support an individual in achieving the  
24 individual’s education and career goals.  
25 (4) Include, as appropriate, education offered concurrently with  
26 and in the same context as workforce preparation activities and  
27 training for a specific occupation or occupational cluster.  
28 (5) Organize education, training, and other services to meet the  
29 particular needs of an individual in a manner that accelerates the  
30 educational and career advancement of the individual to the extent  
31 practicable.  
32 (6) Enable an individual to attain a secondary school diploma  
33 or its recognized equivalent, and at least one recognized  
34 postsecondary credential.

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

3 (d) “Cluster-based sector strategies” mean methods of focusing  
4 workforce and economic development on those sectors that have  
5 demonstrated a capacity for economic growth and job creation in  
6 a particular geographic area.

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

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

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

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

27 (i) (1) “In-demand industry sector or occupation” means either  
28 of the following:

29 (A) An industry sector that has a substantial current or potential  
30 impact, including through jobs that lead to economic  
31 self-sufficiency and opportunities for advancement, on the state,  
32 regional, or local economy, as appropriate, and that contributes to  
33 the growth or stability of other supporting businesses, or the growth  
34 of other industry sectors.

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

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

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

17 (1) Displaced homemakers.

18 (2) Low-income individuals.

19 (3) Indians, Alaska Natives, and Native Hawaiians, as those  
20 terms are defined in Section 3221 of Title 29 of the United States  
21 Code.

22 (4) Individuals with disabilities, including youths who are  
23 individuals with disabilities.

24 (5) Older individuals.

25 (6) Ex-offenders.

26 (7) Homeless individuals, as defined in Section 14043e-2(6) of  
27 Title 42 of the United States Code, or homeless children and  
28 youths, as defined in Section 11434a(2) of Title 42 of the United  
29 States Code.

30 (8) Youth who are in, or have aged out of, the foster care system.

31 (9) Individuals who are English language learners, individuals  
32 who have low levels of literacy, and individuals facing substantial  
33 cultural barriers.

34 (10) Eligible migrant and seasonal farmworkers, as defined in  
35 Section 3322(i) of Title 29 of the United States Code.

36 (11) Individuals within two years of exhausting lifetime  
37 eligibility under Part A of Title IV of the Social Security Act (42  
38 U.S.C. Sec. 601 et seq.).

39 (12) Single parents, including single, pregnant women.

40 (13) Long-term unemployed individuals.

1 (14) Out-of-school youth.

2 (15) Any other groups as the Governor determines to have  
3 barriers to employment.

4 (k) “Industry cluster” means a geographic concentration or  
5 emerging concentration of interdependent industries with direct  
6 service, supplier, and research relationships, or independent  
7 industries that share common resources in a given regional  
8 economy or labor market. An industry cluster is a group of  
9 employers closely linked by common product or services,  
10 workforce needs, similar technologies, and supply chains in a given  
11 regional economy or labor market.

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

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

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

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

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

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

30 (A) State or local government.

31 (B) State or local economic development agencies.

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

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

35 (E) Other state or local agencies.

36 (F) Business or trade associations.

37 (G) Economic development organizations.

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

40 (I) Philanthropic associations.

1 (J) Industry associations.

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

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

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

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

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

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

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

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

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

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

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

1 (q) (1) “Earn and learn” includes, but is not limited to, a  
2 program that does either of the following:

3 (A) Combines applied learning in a workplace setting with  
4 compensation allowing workers or students to gain work experience  
5 and secure a wage as they develop skills and competencies directly  
6 relevant to the occupation or career for which they are preparing.

7 (B) Brings together classroom instruction with on-the-job  
8 training to combine both formal instruction and actual paid work  
9 experience.

10 (2) “Earn and learn” programs include, but are not limited to,  
11 all of the following:

12 (A) Apprenticeships.

13 (B) Preapprenticeships.

14 (C) Incumbent worker training.

15 (D) Transitional and subsidized employment, particularly for  
16 individuals with barriers to employment.

17 (E) Paid internships and externships.

18 (F) Project-based compensated learning.

19 (r) “Out-of-school youth” means an individual who meets the  
20 definition in Section 3164(a)(1)(B) of Title 29 of the United States  
21 Code.

22 (s) “School operating in partnership with United States  
23 Department of Labor programs” means a school that serves  
24 out-of-school youth through a partnership that includes, but is not  
25 limited to, any of the following:

26 (1) The California Workforce Development Board or local  
27 workforce development board.

28 (2) Federally affiliated Youth Build programs.

29 (3) Federal job corps training or instruction provided pursuant  
30 to a memorandum of understanding with the federal provider.

31 (4) The California Conservation Corp or local conservation  
32 corps certified by the California Conservation Corp pursuant to  
33 Section 14406 or 14507.5 of the Public Resources Code.

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

36 14013. The board shall assist the Governor in the following:

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

39 (b) Developing, implementing, and modifying the State Plan.  
40 The State Plan shall serve as the comprehensive framework and



1 coordinated plan for the aligned investment of all federal and state  
2 workforce training and employment services funding streams and  
3 programs. To the extent feasible and when appropriate, the State  
4 Plan should reinforce and work with adult education and career  
5 technical education efforts that are responsive to labor market  
6 trends.

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

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

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

20 (2) The development of strategies to support the use of career  
21 pathways for the purpose of providing individuals, including  
22 low-skilled adults, youth, and individuals with barriers to  
23 employment, including individuals with disabilities, with workforce  
24 investment activities, education, and supportive services to enter  
25 or retain employment. To the extent permissible under state and  
26 federal laws, these policies and strategies should support linkages  
27 between kindergarten and grades 1 to 12, inclusive, and community  
28 college educational systems in order to help secure educational  
29 and career advancement. These policies and strategies may be  
30 implemented using a sector strategies framework and should  
31 ultimately lead to placement in a job providing economic security  
32 or job placement in an entry-level job that has a well-articulated  
33 career pathway or career ladder to a job providing economic  
34 security.

35 (3) The development of strategies for providing effective  
36 outreach to and improved access for individuals, including  
37 individuals with barriers to employment, and employers who could  
38 benefit from services provided through the workforce development  
39 system.

1 (4) The development and expansion of strategies for meeting  
2 the needs of employers, workers, and jobseekers, particularly  
3 through industry or sector partnerships related to in-demand  
4 industry sectors and occupations, including policies targeting  
5 resources to competitive and emerging industry sectors and industry  
6 clusters that provide economic security and are either high-growth  
7 sectors or critical to California's economy, or both. These industry  
8 sectors and clusters shall have significant economic impacts on  
9 the state and its regional and workforce development needs and  
10 have documented career opportunities.

11 (5) Recommending adult and dislocated worker training policies  
12 and investments that offer a variety of career opportunities while  
13 upgrading the skills of California's workforce. These may include  
14 training policies and investments pertaining to any of the following:

15 (A) Occupational skills training, including training for  
16 nontraditional employment.

17 (B) On-the-job training.

18 (C) Incumbent worker training in accordance with Section  
19 3174(d)(4) of Title 29 of the United States Code.

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

22 (E) Training programs operated by the private sector.

23 (F) Skill upgrading and retraining.

24 (G) Entrepreneurial training.

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

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

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

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

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

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

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

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

14 (i) The development and updating of comprehensive state  
15 performance accountability measures, including state adjusted  
16 levels of performance, to assess the effectiveness of the core  
17 programs in the state as required under Section 3141(b) of Title  
18 29 of the United States Code. As part of this process the board  
19 shall do all of the following:

20 (1) Develop a workforce metrics dashboard, to be updated  
21 annually, that measures the state’s human capital investments in  
22 workforce development to better understand the collective impact  
23 of these investments on the labor market. The workforce metrics  
24 dashboard shall be produced using existing available data and  
25 resources that are currently collected and accessible to state  
26 agencies. The board shall convene workforce program partners to  
27 develop a standardized set of inputs and outputs for the workforce  
28 metrics dashboard. The workforce metrics dashboard shall do all  
29 of the following:

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

34 (B) Request an opportunity to present relevant portions of the  
35 final report, including summary data and performance metrics, at  
36 least once a calendar year to the State Board of Education and the  
37 California Community College Board.

38 (C) Provide demographic breakdowns, including, to the extent  
39 possible, race, ethnicity, age, gender, veteran status, wage and

1 credential or degree outcomes, and information on workforce  
2 outcomes in different industry sectors.

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

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

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

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

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

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

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

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

1 boards to exceed negotiated local levels of performance, sustain  
2 fiscal integrity, and achieve other measures of effectiveness.

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

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

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

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

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

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

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

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

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

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

37 (m) The development of strategies for aligning technology and  
38 data systems across one-stop partner programs to enhance service  
39 delivery and improve efficiencies in reporting on performance  
40 accountability measures, including the design and implementation

1 of common intake, data collection, case management information,  
2 and performance accountability measurement and reporting  
3 processes and the incorporation of local input into such design and  
4 implementation, to improve coordination of services across  
5 one-stop partner programs.

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

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

14 (p) The development of the statewide workforce and labor  
15 market information system described in Section 491–2(e) of Title  
16 29 of the United States Code.

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

20 (r) Helping individuals with barriers to employment, including  
21 low-skill, low-wage workers, the long-term unemployed, and  
22 members of single-parent households, achieve economic security  
23 and upward mobility by implementing policies that encourage the  
24 attainment of marketable skills relevant to current labor market  
25 trends.

26 SEC. 3. Section 14200 of the Unemployment Insurance Code  
27 is amended to read:

28 14200. (a) The local chief elected officials in a local workforce  
29 development area shall form, pursuant to guidelines established  
30 by the Governor and the board, a local workforce development  
31 board to plan and oversee the workforce investment system.

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

35 (c) The Governor shall establish, through the California  
36 Workforce Development Board, standards for certification of  
37 high-performance local workforce development boards. The  
38 California Workforce Development Board shall, in consultation  
39 with representatives from local workforce development boards,  
40 initiate a stakeholder process to determine the appropriate

1 measurable metrics and standards for high-performance  
2 certification. These standards shall be implemented on or before  
3 January 1, 2013, and the first certification of high-performance  
4 boards shall occur on or before July 1, 2013. Certification and  
5 recertification of each high-performance local workforce  
6 development board shall occur thereafter midway through the  
7 implementation of the local and regional plans required by the  
8 Workforce Innovation and Opportunity Act. In order to meet the  
9 standards for certification, a high-performance local workforce  
10 development board shall do all of the following:

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

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

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

18 (A) Meets all local and regional planning requirements specified  
19 under the federal Workforce Innovation and Opportunity Act of  
20 2014.

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

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

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

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

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

33 (5) Demonstrate that the local planning process takes into  
34 account the entire workforce training pipeline, including partners  
35 in K–12 education, schools operating in partnership with United  
36 States Department of Labor programs, career technical education,  
37 the community college system, other postsecondary institutions,  
38 and other local workforce development areas operating in a relevant  
39 regional economy.

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

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

17 (8) Establish a youth strategy, including out-of-school youth,  
18 aligned with the needs of each workforce investment area's regional  
19 labor market and high-wage industry sectors.

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

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

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

32 (C) A subcommittee of the local workforce development board  
33 that further develops and makes recommendations for the business  
34 service plan for each local workforce development board in an  
35 effort to increase employer involvement in the activities of the  
36 local workforce development board. The subcommittee members  
37 should be comprised of business representatives on the local  
38 workforce development board who represent both the leading  
39 industries and employers in the relevant regional economy and  
40 potential emerging sectors that have significant potential to



1 contribute to job growth in the relevant regional economy if  
2 investments were made for training and educational programs.

3 (d) The Governor and the Legislature, as part of the annual  
4 budget process, in consultation with the California Workforce  
5 Development Board, shall annually reserve a portion of the  
6 15-percent discretionary fund made available pursuant to the  
7 federal Workforce Innovation and Opportunity Act of 2014 for  
8 the purpose of providing performance incentives to  
9 high-performance local workforce development boards. The  
10 remaining discretionary funds shall continue to be available for  
11 other discretionary purposes as provided for in the federal  
12 Workforce Innovation and Opportunity Act of 2014.

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

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

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

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

37 SEC. 4. Section 14206 of the Unemployment Insurance Code  
38 is amended to read:

1 14206. Consistent with the requirements of the Workforce  
2 Innovation and Opportunity Act, the local board shall do all of the  
3 following:

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

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

14 (1) Carry out analyses of the economic conditions in the region,  
15 the needed knowledge and skills for the region, the workforce in  
16 the region, and workforce development activities, including  
17 education and training, in the region described in Section  
18 3123(b)(1)(D) of Title 29 of the United States Code, and regularly  
19 update such information.

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

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

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

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

38 (1) Promote business representation, particularly representatives  
39 with optimal policymaking or hiring authority from employers

1 whose employment opportunities reflect existing and emerging  
2 employment opportunities in the region, on the local board.

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

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

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

18 (e) (1) With representatives of secondary and postsecondary  
19 education programs, lead efforts in the local area to develop and  
20 implement career pathways within the local area by aligning the  
21 employment, training, education, and supportive services that are  
22 needed by adults and youth, particularly individuals with barriers  
23 to employment.

24 (2) For purposes of this subdivision, “secondary and  
25 postsecondary education programs” include, but are not limited  
26 to, adult education consortiums, school districts, schools operating  
27 in partnership with United States Department of Labor programs,  
28 and community colleges partnering with local boards.

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

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

- 1 (2) Identify and disseminate information on proven and  
2 promising practices carried out in other local areas for meeting  
3 these needs.
- 4 (g) Develop strategies for using technology to maximize the  
5 accessibility and effectiveness of the local workforce development  
6 system for employers, and workers and jobseekers, by doing all  
7 of the following:
- 8 (1) Facilitating connections among the intake and case  
9 management information systems of the one-stop partner programs  
10 to support a comprehensive workforce development system in the  
11 local area.
- 12 (2) Facilitating access to services provided through the one-stop  
13 delivery system involved, including facilitating the access in remote  
14 areas.
- 15 (3) Identifying strategies for better meeting the needs of  
16 individuals with barriers to employment, including strategies that  
17 augment traditional service delivery, and increase access to services  
18 and programs of the one-stop delivery system, such as improving  
19 digital literacy skills.
- 20 (4) Leveraging resources and capacity within the local workforce  
21 development system, including resources and capacity for services  
22 for individuals with barriers to employment.
- 23 (h) In partnership with the chief elected official for the local  
24 area, shall conduct oversight for local youth workforce investment  
25 activities as required under the federal Workforce Innovation and  
26 Opportunity Act, ensure the appropriate use and management of  
27 the funds as required under the Workforce Innovation and  
28 Opportunity Act, and, for workforce development activities, ensure  
29 the appropriate use, management, and investment of funds to  
30 maximize performance outcomes as required under the federal  
31 Workforce Innovation and Opportunity Act.
- 32 (i) Negotiate and reach agreement on local performance  
33 accountability measures, as described in Section 3141(c) of Title  
34 29 of the United States Code, with the chief elected official and  
35 the Governor.
- 36 (j) Select and provide access to system operators, service  
37 providers, trainers, and educators, in a manner consistent with the  
38 requirements of the Workforce Innovation and Opportunity Act  
39 and applicable state laws, including all of the following:

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

6 (2) Consistent with Section 3153 of Title 29 of the United States  
7 Code, identify eligible providers of youth workforce investment  
8 activities in the local area by awarding grants or contracts on a  
9 competitive basis, except as provided in Section 3153(b) of Title  
10 29 of the United States Code, based on the recommendations of  
11 the youth standing committee, if such a committee is established  
12 for the local area and terminate for cause the eligibility of these  
13 providers.

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

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

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

32 (k) Consistent with the requirements of the Workforce  
33 Innovation and Opportunity Act, coordinate activities with  
34 education and training providers in the local area, including  
35 providers of workforce development activities, providers of adult  
36 education and literacy activities under Title II of the Workforce  
37 Innovation and Opportunity Act, providers of career and technical  
38 education, as defined in Section 2302 of Title 20 of the United  
39 States Code, and local agencies administering plans under Title I  
40 of the Rehabilitation Act of 1973 (29 U.S.C. Sec. 720 et seq.),

1 other than Section 112 or Part C of that Title (29 U.S.C. Sec. 732,  
2 741).

3 SEC. 5. Section 14221 of the Unemployment Insurance Code  
4 is amended to read:

5 14221. The local plan shall include all of the following:

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

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

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

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

20 (4) An analysis of the workforce development activities,  
21 including education and training, in the region, including an  
22 analysis of the strengths and weaknesses of such services, and the  
23 capacity to provide such services, to address the identified  
24 education and skill needs of the workforce, including individuals  
25 with employment barriers, and the employment needs of employers  
26 in the region.

27 (5) A description of the local board's strategic vision and goals  
28 for preparing an educated and skilled workforce, including youth  
29 and individuals with barriers to employment, including goals  
30 relating to the performance accountability measures based on  
31 primary indicators of performance described in Section  
32 3141(b)(2)(A) of Title 29 of the United States Code in order to  
33 support regional economic growth and economic self-sufficiency.

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

38 (b) A description of the workforce development system in the  
39 local area that identifies the programs that are included in that  
40 system and how the local board will work with the entities carrying

1 out core programs and other workforce development programs to  
2 support alignment to provide services, including programs of study  
3 authorized under the Carl D. Perkins Career and Technical  
4 Education Act of 2006 (20 U.S.C. Sec. 2301 et seq.), that support  
5 the strategy identified in the State Plan under Section 3112(b)(1)(E)  
6 of Title 29 of the United States Code.

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

17 (d) A description of the strategies and services that will be used  
18 in the local area in order to facilitate engagement of employers,  
19 including small employers and employers in in-demand industry  
20 sectors and occupations, in workforce development programs,  
21 support a local workforce development system that meets the needs  
22 of businesses in the local area, better coordinate workforce  
23 development programs and economic development, and strengthen  
24 linkages between the one-stop delivery system and unemployment  
25 insurance programs. This may include the implementation of  
26 initiatives such as incumbent worker training programs, on-the-job  
27 training programs, customized training programs, industry and  
28 sector strategies, career pathways initiatives, utilization of effective  
29 business intermediaries, and other business services and strategies,  
30 designed to meet the needs of employers in the corresponding  
31 region in support of the strategy described in paragraph (5) of  
32 subdivision (a).

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

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

- 1 (1) A description of how the local board will ensure the  
2 continuous improvement of eligible providers of services through  
3 the system and ensure that such providers meet the employment  
4 needs of local employers, and workers and jobseekers.
- 5 (2) A description of how the local board will facilitate access  
6 to services provided through the one-stop delivery system,  
7 including in remote areas, through the use of technology and  
8 through other means.
- 9 (3) A description of how entities within the one-stop delivery  
10 system, including one-stop operators and the one-stop partners,  
11 will comply with Section 3248 of Title 29 of the United States  
12 Code, if applicable, and applicable provisions of the Americans  
13 with Disabilities Act of 1990 (42 U.S.C. Sec. 12101 et seq.)  
14 regarding the physical and programmatic accessibility of facilities,  
15 programs and services, technology, and materials for individuals  
16 with disabilities, including providing staff training and support for  
17 addressing the needs of individuals with disabilities.
- 18 (4) A description of the roles and resource contributions of the  
19 one-stop partners.
- 20 (g) A description and assessment of the type and availability of  
21 adult and dislocated worker employment and training activities in  
22 the local area.
- 23 (h) A description of how the local board will coordinate  
24 workforce investment activities carried out in the local area with  
25 statewide rapid response activities, as described in Section  
26 3174(a)(2)(A) of Title 29 of the United States Code.
- 27 (i) A description and assessment of the type and availability of  
28 youth workforce investment activities in the local area, including  
29 activities for youth who are individuals with disabilities, which  
30 description and assessment shall include an identification of  
31 successful models of such youth workforce investment activities.
- 32 (j) A description of how the local board will coordinate  
33 education and workforce investment activities carried out in the  
34 local area with relevant secondary and postsecondary education  
35 programs and activities to coordinate strategies, enhance services,  
36 and avoid duplication of services.
- 37 (k) A description of how the local board will coordinate  
38 workforce investment activities carried out under this article in  
39 the local area with the provision of transportation, including public



1 transportation, and other appropriate supportive services in the  
2 local area.

3 (l) A description of plans and strategies for, and assurances  
4 concerning, maximizing coordination of services provided by the  
5 state employment service under the Wagner-Peyser Act (29 U.S.C.  
6 Sec. 49 et seq.) and services provided in the local area through the  
7 one-stop delivery system, to improve service delivery and avoid  
8 duplication of services.

9 (m) A description of how the local board will coordinate  
10 workforce investment activities carried out in the local area with  
11 the provision of adult education and literacy activities in the local  
12 area, including a description of how the local board will carry out,  
13 consistent with subparagraphs (A) and (B)(i) of Section  
14 3122(d)(11) of Title 29 of the United States Code and Section  
15 3322 of Title 29 of the United States Code, the review of local  
16 applications.

17 (n) A description of the replicated cooperative agreements, as  
18 defined in Section 3122(d)(11) of Title 29 of the United States  
19 Code between the local board or other local entities described in  
20 Section 101(a)(11)(B) of the Rehabilitation Act of 1973 (29 U.S.C.  
21 Sec. 721(a)(11)(B)) and the local office of a designated state agency  
22 or designated state unit administering programs carried out under  
23 Title I of that act, other than Section 112 or Part C of that Title (29  
24 U.S.C. Secs. 732 and 741) and subject to Section 3151(f) of Title  
25 29 of the United States Code, in accordance with Section  
26 101(a)(11) of the Rehabilitation Act of 1973 (29 U.S.C. Sec.  
27 721(a)(11)) with respect to efforts that will enhance the provision  
28 of services to individuals with disabilities and to other individuals,  
29 such as cross training of staff, technical assistance, use and sharing  
30 of information, cooperative efforts with employers, and other  
31 efforts at cooperation, collaboration, and coordination.

32 (o) An identification of the entity responsible for the disbursal  
33 of grant funds described in Section 3122(d)(12)(B)(i)(III) of Title  
34 29 of the United States Code, as determined by the chief elected  
35 official or the Governor under Section 3122(d)(12)(B)(i) of Title  
36 29 of the United States Code.

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

1 (q) A description of the local levels of performance negotiated  
2 with the Governor and chief elected official pursuant to Section  
3 3141(c) of Title 29 of the United States Code, to be used to measure  
4 the performance of the local area and to be used by the local board  
5 for measuring the performance of the local fiscal agent, where  
6 appropriate, eligible providers, and the one-stop delivery system,  
7 in the local area.

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

15 (s) A description of how training services will be provided in  
16 accordance with Section 3174(c)(3)(G) of Title 29 of the United  
17 States Code, including, if contracts for the training services will  
18 be used, how the use of such contracts will be coordinated with  
19 the use of individual training accounts and how the local board  
20 will ensure informed customer choice in the selection of training  
21 programs regardless of how the training services are to be provided.

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

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

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

32 SEC. 6. Section 14510 of the Unemployment Insurance Code  
33 is amended to read:

34 14510. (a) To the extent permitted by federal law, school  
35 districts, county offices of education, and schools operating in  
36 partnership with United States Department of Labor programs are  
37 eligible to apply to local workforce development boards to provide  
38 basic skills training and skills necessary for attaining a secondary  
39 school diploma.

1 (b) Among the appropriate education providers considered for  
2 out-of-school youth services, the boards shall include for  
3 ~~consideration~~ *consideration, but not be limited to*, programs that  
4 specialize in a secondary school diploma from a school accredited  
5 by the Western Association of Schools and Colleges from the  
6 relevant geographic area.

O