

Assembly Bill No. 2719

Passed the Assembly August 29, 2016

Chief Clerk of the Assembly

Passed the Senate August 23, 2016

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2016, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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, 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 define out-of-school youth for purposes of the state act, would revise the duties of the board regarding, among other things, 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.

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

SECTION 1. 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" mean 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 stages 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 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 of California.

(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, out-of-school youth, 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.

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

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

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

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

(A) Apprenticeships.

(B) Preapprenticeships.

(C) Incumbent worker training.

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

(E) Paid internships and externships.

(F) Project-based compensated learning.

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

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

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

(2) Federally affiliated Youth Build programs.

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

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

SEC. 2. 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, including out-of-school 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, including individuals with barriers to employment, 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 in 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, entrepreneurs, 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, including training completion, degree attainment, and participant earnings from workforce education and training programs. The board shall publish and distribute the final report.

(B) Request an opportunity to present relevant portions of the final report, including summary data and performance metrics, at least once every calendar year to the State Board of Education and the California Community Colleges Board of Governors.

(C) 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.

(D) 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.

(E) 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, except, the State Department of Education is authorized to share this information, unless prohibited by federal law, with the Employment Development Department, who shall keep the information confidential and use it only to track the labor market outcomes of program participants in compliance with all applicable state and federal laws and mandates, including all performance reporting requirements under the Workforce Innovation and Opportunity Act.

(3) (A) Participating workforce programs, as specified in subparagraph (D) 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 other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system in the state.

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

SEC. 3. 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 Opportunity 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, including partners in K–12 education, schools operating in partnership with United States Department of Labor programs, career technical education, the community college system, other postsecondary institutions, and other local workforce development areas operating in a 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, including out-of-school youth, 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. 4. Section 14206 of the Unemployment Insurance Code is amended 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) (1) 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, including out-of-school youth, particularly individuals with barriers to employment.

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

(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. 5. Section 14221 of the Unemployment Insurance Code is amended 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, including individuals with employment barriers, 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. Sec. 2301 et seq.), that support the strategy identified in the State Plan under Section 3112(b)(1)(E) of 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. 6. Section 14510 of the Unemployment Insurance Code is amended to read:

14510. (a) To the extent permitted by federal law, 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.

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

Approved _____, 2016

Governor