

**Introduced by Senator Jackson**

February 23, 2015

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An act to amend Sections ~~14000~~ 14000, 14005, and 14013 of the Unemployment Insurance Code, relating to unemployment insurance.

LEGISLATIVE COUNSEL'S DIGEST

SB 342, as amended, Jackson. California Workforce Investment Board: responsibilities.

~~Under~~

(1) *Under* existing law, the California Workforce Investment Board is responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system. Existing law requires the board to assist the Governor in targeting resources to specified industry sectors and providing guidance to ensure that services reflect the needs of those sectors.

This bill would additionally require 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.

(2) *Existing law requires the California Workforce Investment Board, in consultation with the Division of Apprenticeship Standards, to identify opportunities for "earn and learn" job training opportunities that meet an industry's workforce demands and that are in high-wage, high-demand jobs, identify and develop specific requirements and qualifications for entry into "earn and learn" job training models, and*

*establish standards for “earn and learn” job training programs that are outcome oriented and accountable, as specified.*

*This bill would define the term “earn and learn” for the purposes of these provisions.*

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

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

1 SECTION 1. Section 14000 of the Unemployment Insurance  
2 Code is amended to read:  
3 14000. (a) The Legislature finds and declares that, in order  
4 for California to remain prosperous and globally competitive, it  
5 needs to have a well-educated and highly skilled workforce.  
6 (b) The Legislature finds and declares that the following  
7 principles shall guide the state’s workforce investment system:  
8 (1) Workforce investment programs and services shall be  
9 responsive to the needs of employers, workers, and students by  
10 accomplishing the following:  
11 (A) Preparing California’s students and workers with the skills  
12 necessary to successfully compete in the global economy.  
13 (B) Producing greater numbers of individuals who obtain  
14 industry-recognized certificates and degrees in competitive and  
15 emerging industry sectors and filling critical labor market skills  
16 gaps.  
17 (C) Adapting to rapidly changing local and regional labor  
18 markets as specific workforce skill requirements change over time.  
19 (D) Preparing workers for good-paying jobs that foster economic  
20 security and upward mobility.  
21 (2) State and local workforce investment boards are encouraged  
22 to collaborate with other public and private institutions, including  
23 businesses, unions, nonprofit organizations, kindergarten and  
24 grades 1 to 12, inclusive, career technical education programs,  
25 adult career technical education and basic skills programs,  
26 community college career technical education and basic skills  
27 programs, entrepreneurship training programs, where appropriate,  
28 the California Community Colleges Economic and Workforce  
29 Development Program, and the Employment Training Panel, to  
30 better align resources across workforce education and training

1 service delivery systems and build a well-articulated workforce  
2 investment system by accomplishing the following:

3 (A) Adopting ~~sector-focused~~ local and regional training and  
4 education strategies which include workplace-based *earn and learn*  
5 programs that build on the strengths and fill the gaps in the  
6 education and workforce development pipeline in order to address  
7 the needs of job seekers, workers, and employers within regional  
8 labor markets by supporting sector strategies.

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

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

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

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

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

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

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

36 *SEC. 2. Section 14005 of the Unemployment Insurance Code*  
37 *is amended to read:*

38 14005. For purposes of this division:

39 (a) "Board" means the California Workforce Investment Board.

- 1 (b) “Agency” means the Labor and Workforce Development  
2 Agency.
- 3 (c) “Career pathways,” “career ladders,” or “career lattices”  
4 mean an identified series of positions, work experiences, or  
5 educational benchmarks or credentials with multiple access points  
6 that offer occupational and financial advancement within a  
7 specified career field or related fields over time.
- 8 (d) “Cluster-based sector strategies” means methods of focusing  
9 workforce and economic development on those sectors that have  
10 demonstrated a capacity for economic growth and job creation in  
11 a particular geographic area.
- 12 (e) “Data driven” means a process of making decisions about  
13 investments and policies based on systematic analysis of data,  
14 which may include data pertaining to labor markets.
- 15 (f) “Economic security” means, with respect to a worker, earning  
16 a wage sufficient to support a family adequately, and, over time,  
17 to save for emergency expenses and adequate retirement income,  
18 based on factors such as household size, the cost of living in the  
19 worker’s community, and other factors that may vary by region.
- 20 (g) “Evidence-based” means making use of policy research as  
21 a basis for determining best policy practices. Evidence-based  
22 policymakers adopt policies that research has shown to produce  
23 positive outcomes, in a variety of settings, for a variety of  
24 populations over time. Successful, evidence-based programs deliver  
25 quantifiable and sustainable results. Evidence-based practices  
26 differ from approaches that are based on tradition, belief,  
27 convention, or anecdotal evidence.
- 28 (h) “High-priority occupations” mean occupations that have a  
29 significant presence in a targeted industry sector or industry cluster,  
30 are in demand by employers, and pay or lead to payment of a wage  
31 that provides economic security.
- 32 (i) “Individual with employment barriers” means an individual  
33 with any characteristic that substantially limits an individual’s  
34 ability to obtain employment, including indicators of poor work  
35 history, lack of work experience, or access to employment in  
36 nontraditional occupations, long-term unemployment, lack of  
37 educational or occupational skills attainment, dislocation from  
38 high-wage and high-benefit employment, low levels of literacy or  
39 English proficiency, disability status, or welfare dependency.

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

9 (k) (1) “Industry or sector partnership” means a workforce  
10 collaborative that organizes key stakeholders in a targeted industry  
11 cluster into a working group that focuses on the workforce needs  
12 of the targeted industry cluster. An industry or sector partnership  
13 organizes the stakeholders connected with a specific local or  
14 regional industry—multiple firms, labor groups, education and  
15 training providers, and workforce and education systems—to  
16 develop workforce development strategies within the industry.  
17 Successful sector partnerships leverage partner resources to address  
18 both short-term and long-term human capital needs of a particular  
19 sector, including by analyzing current labor markets and identifying  
20 barriers to employment within the industry, developing cross-firm  
21 skill standards, curricula, and training programs, and developing  
22 occupational career ladders to ensure workers of all skill levels  
23 can advance within the industry.

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

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

29 (B) One or more representatives of state labor organizations,  
30 central labor coalitions, or other labor organizations, except in  
31 instances where no labor representations exists.

32 (C) One or more representatives of local workforce investment  
33 boards.

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

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

- 1 (3) An industry or sector partnership may also include  
2 representatives from the following:
- 3 (A) State or local government.
  - 4 (B) State or local economic development agencies.
  - 5 (C) Other state or local agencies.
  - 6 (D) Chambers of commerce.
  - 7 (E) Nonprofit organizations.
  - 8 (F) Philanthropic organizations.
  - 9 (G) Economic development organizations.
  - 10 (H) Industry associations.
  - 11 (I) Other organizations, as determined necessary by the members  
12 comprising the industry or sector partnership.
- 13 (l) “Industry sector” means those firms that produce similar  
14 products or provide similar services using somewhat similar  
15 business processes, and are closely linked by workforce needs,  
16 within a regional labor market.
- 17 (m) “Local labor federation” means a central labor council that  
18 is an organization of local unions affiliated with the California  
19 Labor Federation or a local building and construction trades council  
20 affiliated with the State Building and Construction Trades Council.
- 21 (n) “Sector strategies” means methods of prioritizing  
22 investments in competitive and emerging industry sectors and  
23 industry clusters on the basis of labor market and other economic  
24 data indicating strategic growth potential, especially with regard  
25 to jobs and income, and exhibit the following characteristics:
- 26 (1) Focus workforce investment in education and workforce  
27 training programs that are likely to lead to jobs providing economic  
28 security or to an entry-level job with a well-articulated career  
29 pathway into a job providing economic security.
  - 30 (2) Effectively boost labor productivity or reduce business  
31 barriers to growth and expansion stemming from workforce supply  
32 problems, including skills gaps and occupational shortages by  
33 directing resources and making investments to plug skills gaps  
34 and provide education and training programs for high-priority  
35 occupations.
  - 36 (3) May be implemented using articulated career pathways or  
37 lattices and a system of stackable credentials.
  - 38 (4) May target underserved communities, disconnected youths,  
39 incumbent workers, and recently separated military veterans.

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

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

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

10 (p) (1) *“Earn and learn” includes, but is not limited to, a*  
11 *program that does any of the following:*

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

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

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

22 (A) *Apprenticeships.*

23 (B) *Preapprenticeships.*

24 (C) *Incumbent worker training.*

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

27 (E) *Paid internships and externships.*

28 (F) *Project-based compensated learning.*

29 ~~SEC. 2.~~

30 SEC. 3. Section 14013 of the Unemployment Insurance Code  
31 is amended to read:

32 14013. The board shall assist the Governor in the following:

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

35 (b) Developing the State Workforce Investment Plan.

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

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

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

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

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

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

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

23 (A) Occupational skills training, including training for  
24 nontraditional employment.

25 (B) On-the-job training.

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

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

29 (E) Skill upgrading and retraining.

30 (F) Entrepreneurial training.

31 (G) Job readiness training.

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

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

37 (d) Developing and continuously improving the statewide  
38 workforce investment system as delivered via the one-stop delivery  
39 system and via other programs and services supported by funding  
40 from the federal Workforce Investment Act of 1998, including:

- 1 (1) Developing linkages in order to ensure coordination and  
2 nonduplication among workforce programs and activities.
- 3 (2) Reviewing local workforce investment plans.
- 4 (3) Leveraging state and federal funds to ensure that resources  
5 are invested in activities that meet the needs of the state's  
6 competitive and emerging industry sectors and advance the  
7 education and employment needs of students and workers so they  
8 can keep pace with the education and skill needs of the state, its  
9 regional economies, and leading industry sectors.
- 10 (e) Commenting, at least once annually, on the measures taken  
11 pursuant to the Carl D. Perkins Vocational and Applied Technology  
12 Education Act Amendments of 1990 (Public Law 101-392; 20  
13 U.S.C. Sec. 2301 et seq.).
- 14 (f) Designating local workforce investment areas within the  
15 state based on information derived from all of the following:
  - 16 (1) Consultations with the Governor.
  - 17 (2) Consultations with the chief local elected officials.
  - 18 (3) Consideration of comments received through the public  
19 comment process, as described in Section 112(b)(9) of the federal  
20 Workforce Investment Act of 1998.
- 21 (g) Developing and modifying allocation formulas, as necessary,  
22 for the distribution of funds for adult employment and training  
23 activities, for youth activities to local workforce investment areas,  
24 and dislocated worker employment and training activities, as  
25 permitted by federal law.
- 26 (h) Coordinating the development and continuous improvement  
27 of comprehensive state performance measures, including state  
28 adjusted levels of performance, to assess the effectiveness of the  
29 workforce investment activities in the state.
- 30 (i) Preparing the annual report to the United States Secretary of  
31 Labor.
- 32 (j) Recommending policy for the development of the statewide  
33 employment statistics system, including workforce and economic  
34 data, as described in Section 491-2 of Title 29 of the United States  
35 Code, and using, to the fullest extent possible, the Employment  
36 Development Department's existing labor market information  
37 systems.
- 38 (k) Recommending strategies to the Governor for strategic  
39 training investments of the Governor's 15-percent discretionary  
40 funds.

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

4 (m) Recommending policy to the Governor for the use of the  
5 25-percent rapid response funds, as authorized under the federal  
6 Workforce Investment Act of 1998.

7 (n) Developing an application to the United States Department  
8 of Labor for an incentive grant under Section 9273 of Title 20 of  
9 the United States Code.

10 (o) (1) Developing a workforce metrics dashboard, to be  
11 updated annually, that measures the state's human capital  
12 investments in workforce development to better understand the  
13 collective impact of these investments on the labor market. The  
14 workforce metrics dashboard shall be produced using existing  
15 available data and resources that are currently collected and  
16 accessible to state agencies. The board shall convene workforce  
17 program partners to develop a standardized set of inputs and  
18 outputs for the workforce metrics dashboard. The workforce  
19 metrics dashboard shall do all of the following:

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

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

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

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

39 (2) The State Department of Education is hereby authorized to  
40 collect the social security numbers of adults participating in adult

1 education programs so that accurate participation in those programs  
2 can be represented in the report card. However, an individual shall  
3 not be denied program participation if he or she refuses to provide  
4 a social security number. The State Department of Education shall  
5 keep this information confidential and shall only use this  
6 information for tracking purposes, in compliance with all applicable  
7 state and federal law.

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

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

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