

AMENDED IN ASSEMBLY JUNE 25, 1998

AMENDED IN SENATE APRIL 16, 1998

SENATE BILL

No. 2196

Introduced by Senator Vasconcellos

February 20, 1998

An act to amend Sections 15365.53, 15365.55, and 15365.57 of the Government Code, relating to employment services.

LEGISLATIVE COUNSEL'S DIGEST

SB 2196, as amended, Vasconcellos. Needy families: job training.

Existing law establishes various employment and training programs.

Existing law creates the continuously appropriated Job Creation Investment Fund, to be administered by the Trade and Commerce Agency, for the purpose of allocating funds to be used for job creation activities that will provide employment for recipients of aid under the CalWORKs program. Existing law requires that all moneys in the fund that have not been disbursed to recipients by June 30, 2002, shall revert to the General Fund.

This bill would revise the schedule of activities for which a recipient may use money received from the Job Creation Investment Fund, and would require that only moneys in the fund that were appropriated in annual Budget Acts prior to the 1998–99 annual Budget Act and that have not been disbursed to recipients by June 30, 2002, shall revert to the General Fund. It would also provide that all moneys in the

fund that ~~were~~ *are* appropriated in the 1998–99 annual Budget Act and in subsequent annual Budget Acts shall not be subject to this statutory reversion to the General Fund, but shall be subject to all applicable administrative and fiscal provisions relating to budget appropriations and therefore shall not be considered as continuously appropriated unless expressly authorized in a subsequently enacted statute.

The bill also would provide specified purposes for which funds appropriated to the Job Creation Investment Fund in the annual Budget Act for the 1998–99 fiscal year would be required to be used.

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 15365.53 of the Government
2 Code is amended to read:

3 15365.53. (a) The fund is intended to provide flexible
4 funding for local job creation initiatives whenever
5 possible, using, rather than duplicating, existing
6 resources. Notwithstanding Section 13340 of the
7 Government Code, the fund is hereby continuously
8 appropriated without regard to fiscal years for the
9 purposes of this chapter. The Treasurer shall invest
10 moneys not needed to meet current obligations incurred
11 pursuant to this chapter.

12 (b) Moneys in the fund shall be used by a recipient to
13 either develop a strategic plan, in an amount not to
14 exceed 50 percent of the recipient's allocation or two
15 hundred fifty thousand dollars (\$250,000), whichever is
16 less, or to implement initiatives consistent with the plan,
17 including, but not limited to, all of the following:

18 (1) Planning and coordination activities that lead to
19 better local linkages between strategic economic
20 planning and development of education and training
21 curricula relevant to jobs that will exist locally.

22 (2) Packaging economic development and
23 community development projects in a manner that can
24 utilize capital financing mechanisms, such as the



1 California Infrastructure and Economic Bank provided
2 for pursuant to Chapter 2 (commencing with Section
3 63020) of Division 1 of Title 6.7.

4 (3) Development of localized labor market
5 information that enables placement of recipients of and
6 under Chapter 2 (commencing with Section 11200) of
7 Part 3 of Division 9 of the Welfare and Institutions Code
8 in currently available, as well as future, jobs.

9 (4) Assistance in developing economic development
10 strategies for business expansion and location
11 opportunities, including work force preparation and
12 other local training services for employees.

13 (5) Targeting economic development and job
14 creation activities to emerging or growth industry
15 clusters in the local area.

16 (6) Expansion of technical assistance to small business
17 and manufacturers for activities, such as those designed
18 to make business operations more economical or
19 competitive, while providing jobs for welfare recipients.

20 (7) Permit streamlining services.

21 (8) One-stop centers for small business financing to
22 coordinate funding resources for business expansion.

23 (9) Establishment of small business incubators.

24 (10) Activities to support the use of intermediary
25 employers.

26 (11) Support of microenterprise activities.

27 (12) Establishment and support of neighborhood
28 development corporations pursuant to Section 15365.54.

29 (13) Matching of seed capital funds with private
30 capital for community development projects.

31 (14) Planning and coordination activities that lead to
32 better local linkages between job creation activities and
33 implementation of the welfare-to-work grant program
34 created by the federal Balanced Budget Act of 1997
35 (Public Law 105-33).

36 (c) Interest earnings may be used by the agency to
37 offset administrative costs.

38 SEC. 2. *Section 15365.55 of the Government Code is*
39 *amended to read:*



1 15365.55. For the purposes of moneys appropriated to
2 the fund, in its first year of operation, the agency shall
3 operate the program in the following manner:

4 (a) The agency shall issue guidelines for local job
5 creation plans for CalWORKs participants to counties
6 within 30 days after the operative date of this chapter or
7 November 1, 1997, whichever is later. These guidelines
8 shall include only minimum plan requirements, and shall
9 encourage local creativity and flexibility in developing
10 local employment opportunities for welfare recipients or
11 those at risk of becoming welfare recipients.

12 (b) County boards of supervisors or county joint
13 powers authorities shall be the applicants for and the
14 recipients of moneys allocated pursuant to this chapter.
15 Each county board of supervisors that elects to apply for
16 job creation funds shall appoint or designate a planning
17 group to prepare a grant application and county
18 resolution. The application shall include the scope of
19 work, a timeline, a budget, and performance standards.
20 The resolution shall be approved by the board of
21 supervisors and submitted to the agency within 120 days
22 after the guidelines are issued.

23 (c) If a county board of supervisors does not submit its
24 resolution within 120 days, and grant application within
25 180 days, that county's allocation shall become available
26 to all counties on a competitive basis. These grants shall
27 be awarded based on criteria developed by the agency.

28 (d) Upon receipt of a grant application and county
29 resolution the agency shall, within 60 days, approve the
30 application and allocate job creation funds to the board
31 of supervisors or notify the county of additional specific
32 information needed to gain plan approval. Once any
33 additional information is provided, the agency shall
34 respond back to the county within 30 days.

35 (e) Subject to subdivision (f), moneys shall be
36 distributed so as to ensure that each county receives not
37 less than fifty thousand dollars (\$50,000). The remainder
38 shall be distributed to counties based on a formula that
39 gives two-thirds weight, when compared to 1996 average
40 monthly statewide totals, to the relative number of adult



1 recipients of aid under Chapter 2 (commencing with
2 Section 11200) of Part 3 of Division 9 of the Welfare and
3 Institutions Code in that county, and one-third weight,
4 when compared to 1996 average monthly statewide
5 totals, to the relative number of unemployed persons in
6 the county.

7 (f) Each county shall receive a minimum of fifty
8 thousand dollars (\$50,000). Each county shall be required
9 to identify a comprehensive group of local stakeholders
10 to either develop a strategic plan or initiate job creation
11 activities that can utilize, to the maximum extent
12 possible, existing resources to target job creation
13 opportunities for recipients of aid under Chapter 2
14 (commencing with Section 11200) of Part 3 of Division 9
15 of the Welfare and Institutions Code in the county. The
16 stakeholders shall include, but not be limited to, local
17 governments, including the county welfare department,
18 private business associations and employer groups,
19 community-based organizations, community
20 development corporations, economic development
21 organizations, the nonprofit sector, advocates for
22 recipients and low-income families, and the local work
23 force preparation community. Whenever possible,
24 existing local partnerships in which a significant number
25 of the stakeholders are represented may be expanded to
26 serve as the local welfare-to-work job creation task force.

27 (g) The agency shall disburse to each county 25
28 percent of the county's allocation under this section upon
29 execution of a completed grant agreement. The
30 resolution or grant application shall do at least the
31 following:

32 (1) Designate a lead local economic development
33 agency to act as the coordinator of the Welfare-to-Work
34 Job Creation Task Force. Whenever possible, this lead
35 agency shall be an existing public or nonprofit agency
36 with a proven record of expertise and accomplishments
37 in economic or community development.

38 (2) Provide an outline and timetable for the
39 development of a strategic plan for the implementation
40 of initiatives for recipients of aid under Chapter 2



1 (commencing with Section 11200) of Part 3 of Division 9
2 of the Welfare and Institutions Code.

3 (3) Identify the stakeholders who will participate in
4 the public process of strategic planning.

5 (h) The agency shall disburse 50 percent of the
6 county's allocation under this section on a cost
7 reimbursement basis for work performed pursuant to the
8 grant agreement. The remainder of the county's
9 allocation shall be disbursed when the agency has verified
10 that job creation programs have been implemented that
11 can reasonably lead to the creation of a substantial
12 number of jobs needed for employment of CalWORKs
13 recipients and when the terms of the grant agreement
14 have been met.

15 (i) *Any funds appropriated in the annual Budget Act*
16 *for the 1998-99 fiscal year to support this program shall be*
17 *used as follows:*

18 (1) *Each county shall receive no less than twenty-five*
19 *thousand dollars (\$25,000) to support activities consistent*
20 *with their approved plans. An amount not to exceed five*
21 *million dollars (\$5,000,000) shall be allocated based on*
22 *criteria established in subdivision (e), adjusted to 1997*
23 *data.*

24 (2) *If additional funds are appropriated in the annual*
25 *Budget Act for the 1998-99 fiscal year in excess of five*
26 *million dollars (\$5,000,000), an amount not to exceed one*
27 *million five hundred thousand dollars (\$1,500,000) shall*
28 *be used to establish a state incentive grant program to*
29 *support three or more job creation challenge grants, one*
30 *or more of which shall address the job creation needs of*
31 *rural counties. The agency shall establish criteria*
32 *consistent with the objectives of this program, including,*
33 *but not limited to, activities designed to address the*
34 *special needs of small business job creation, partnerships*
35 *between community development and economic*
36 *development activities to benefit areas with high*
37 *concentrations of Temporary Assistance to Needy*
38 *Families (TANF) recipients and unemployment, and job*
39 *creation activities designed to increase career pathways*
40 *for working poor to enhance their financial stability and*



1 *independence. The grant process shall function through*
2 *lead agencies designated in each county.*

3 *SEC. 3.* Section 15365.57 of the Government Code is
4 amended to read:

5 15365.57. (a) All moneys in the fund that were
6 appropriated in annual Budget Acts prior to the 1998–99
7 annual Budget Act, and that have not been disbursed to
8 recipients by June 30, 2002, shall revert to the General
9 Fund.

10 (b) All moneys in the fund that ~~were~~ *are* appropriated
11 in the annual Budget Act of 1998–99 or in subsequent
12 annual Budget Acts shall not be subject to subdivision (a),
13 but shall be subject to all applicable administrative and
14 fiscal provisions relating to budget appropriations and
15 therefore shall not be considered as continuously
16 appropriated unless expressly authorized in a
17 subsequently enacted statute.

