

AMENDED IN SENATE SEPTEMBER 3, 1999

CALIFORNIA LEGISLATURE—1999–2000 REGULAR SESSION

**ASSEMBLY BILL**

**No. 345**

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**Introduced by Assembly Member Vincent**

February 11, 1999

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~~An act to amend Section 53201 of the Government Code, relating to local government officers. An act to add Article 5 (commencing with Section 12050) to Chapter 1 of Part 2 of Division 3 of Title 2 of the Government Code, and to repeal Chapter 4.5 (commencing with Section 15035) of the Unemployment Insurance Code, relating to employment.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 345, as amended, Vincent. ~~Local government officers: benefits~~ *California Workforce Investment and Economic Development Act of 1999.*

*Existing law provides for the establishment of various job training programs, administered by the Employment Development Department. Existing law creates the State Job Training Coordinating Council to promote integration of workforce preparation programs at the state level and for other purposes related to implementation of the federal Job Training Partnership Act of 1982.*

*This bill would repeal the provisions relating to the State Job Training Coordinating Council, and would create the Governor's Council on Workforce Investment and Economic Development to implement the federal Workforce Investment Act of 1998. This bill would provide for the*

*Governor to designate a lead state agency to implement a coordinated workforce investment and economic development program, with state and local components, as specified, and would establish certain goals for that program. This bill would enact other related provisions.*

~~Existing law permits the legislative body of a local agency, as defined, to provide for the continuation of any health and welfare benefits for the benefit of former elective members of the legislative body. However, notwithstanding any other provision of law, those benefits may not be provided to any person first elected to a term of office that begins on or after January 1, 1995, unless the recipient participates on a self-pay basis.~~

~~This bill would delete the notwithstanding any other provision of law qualification clause.~~

~~This bill would provide that should any of these provisions conflict with the Public Employees' Medical and Hospital Care Act (PEMHCA) and any authorizing or supporting law required for its operation, administration, or any other function, PEMHCA shall prevail over the conflicting action or actions with respect to any local agency employer contracting with the Public Employees' Retirement System (PERS) for health coverage. This bill would require any local agency that contracts with PERS for the purpose of providing health care benefits for their employees and retirees to be subject to and comply with all provisions applicable to public agencies under PEMHCA and any authorizing or supporting law otherwise required for its operation, administration, or any other function.~~

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

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

- 1 ~~SECTION 1. Section 53201 of the Government Code~~
- 2
- 3 *SECTION 1. Article 5 (commencing with Section*
- 4 *12050) is added to Chapter 1 of Part 2 of Division 3 of Title*
- 5 *2 of the Government Code, to read:*
- 6



1 Article 5. California Workforce Investment and  
2 Economic Development Act of 1999

3  
4 12050. This article shall be known and may be cited as  
5 the California Workforce Investment and Economic  
6 Development Act of 1999.

7 12050.1. The Legislature finds and declares all of the  
8 following:

9 (a) California needs but does not have a coherent  
10 workforce preparation policy. The state's existing 60 or  
11 more job training and workforce preparation programs  
12 do not comprise a system: as a group they are duplicative,  
13 fragmented, nonexclusive, burdensome for customers,  
14 and designed to reward only short-term results. Current  
15 workforce development entities often view each other  
16 only as competitors. Other entities that should be  
17 included in workforce development are not. Accordingly,  
18 one California administrative entity should be designated  
19 to build incentives for participation in the workforce  
20 preparation system and build unity. The myriad  
21 workforce preparation activities need to be organized  
22 into a system unified by a common vision, language, and  
23 goals.

24 (b) California has large numbers and many types of  
25 customers in need of workforce preparation. Their needs  
26 will not be met unless the state actively pursues a policy  
27 of building a system based on inclusion. Even during a  
28 period of economic upswings, unemployed adults total  
29 905,000. Additionally, there are over 500,000 adults on  
30 public assistance. Even the 16,424,000 employed  
31 Californians will need assistance for job retention and  
32 career upgrading at some point in their working  
33 lifetimes. To place these numbers in perspective, adult  
34 enrollments in the federal Job Training Partnership Act  
35 (JTPA) Title II program in program year 1997-98 were  
36 only 35,000.

37 (c) (1) The federal Workforce Investment Act of 1998  
38 (P.L. 105-220) provides for workforce investment  
39 activities through statewide and local workforce  
40 investment systems that increase the employment,

1 retention, and earnings of participants, and increase  
2 occupational skill quality of the workforce, reduce  
3 welfare dependency, and enhance the productivity and  
4 competitiveness of the nation. The federal act requires  
5 the participation of the state in these programs and the  
6 coordination of federal and state workforce investment  
7 activities.

8 (2) The federal act represents the first major reform  
9 of the nation's job training system in over 15 years. The  
10 federal act is the culmination of a four-year bipartisan  
11 effort on the part of the President and the Congress of the  
12 United States to design, with states and local  
13 communities, a revitalized system that provides workers  
14 with the information, advice, job search assistance, and  
15 training they need to get and keep good jobs, and to  
16 provide employers with skilled workers.

17 (d) Existing state law contains various programs in the  
18 following areas that need to be modified to coordinate  
19 with, and build upon, the federal act, including the  
20 following:

- 21 (1) Workforce investment systems.
- 22 (2) Adult dislocated worker activities.
- 23 (3) Adult education.
- 24 (4) Postsecondary vocational education.
- 25 (5) Youth employment programs.
- 26 (6) Welfare-to-work programs.
- 27 (7) Vocational rehabilitation.
- 28 (8) Older Americans programs.
- 29 (9) Trade adjustment assistance.
- 30 (10) Assistance under the North American Free Trade  
31 Agreement.
- 32 (11) Veterans' employment and training programs.
- 33 (12) Community services block grants.
- 34 (13) Unemployment assistance.

35 (e) The total annual expenditure in California for the  
36 programs specified in subdivision (d) exceeds five billion  
37 dollars (\$5,000,000,000).

38 (f) The federal act requires the governor of each state  
39 to appoint an advisory board to assist the governor in the  
40 performance of various duties, including the preparation



1 of the state's initial workforce investment plan, which is  
2 required to be submitted to the United States  
3 Department of Labor no later than April 1, 2000.

4 (g) It is the intent of the Legislature in enacting this  
5 article to consolidate, coordinate, and improve  
6 employment training, literacy, and vocational  
7 rehabilitation programs and to coordinate these  
8 programs, as required by the federal act.

9 12050.2. (a) "Federal act" means the federal  
10 Workforce Investment Act of 1998 (P.L. 105-220).

11 (b) The definitions found in the Section 101 of the  
12 federal act and in the federal regulations adopted  
13 pursuant thereto (20 C.F.R. Part 652, et seq.) shall apply  
14 to this article.

15 (c) For purposes of this article, economic  
16 development shall encompass the broad array of  
17 economic activities, including job creation, meeting  
18 employer needs, noncompetitive workforce preparation,  
19 and increased capital formation, among other things.

20 (d) "Council" means the Governor's Council on  
21 Workforce Investment and Economic Development,  
22 created pursuant to Section 12050.5.

23 12050.3. (a) It is the policy of this state to foster  
24 economic growth and employment opportunity through  
25 the adoption of a comprehensive, coordinated workforce  
26 investment system that contains all of the following  
27 elements:

28 (1) Universal access.

29 (2) Customer choice and empowerment.

30 (3) Continuing improvement, support, and  
31 accountability systems.

32 (4) Mechanisms to insure ongoing coordination.

33 (5) Development of regional plans for regional and  
34 industry-wide labor markets.

35 (b) The customers for California's workforce  
36 development system include all of the following:

37 (1) Employers.

38 (2) Unemployed adults who are able to obtain a job on  
39 their own or with minimal assistance.



1 (3) *Unemployed adults who need training and*  
2 *education to become economically self-sufficient.*

3 (4) *In-school youth who need support to stay in school*  
4 *and progress academically.*

5 (5) *Out-of-school youth who need to return to school*  
6 *or enter the workforce.*

7 (6) *Employed adults and youth who need support to*  
8 *retain their jobs or to advance in their jobs.*

9 12050.4. *The state hereby adopts the following year*  
10 *2005 goals for the state's workforce investment and*  
11 *economic development system:*

12 (a) *Overall unemployment in this state shall be*  
13 *reduced, with a target unemployment rate of no more*  
14 *than 4 percent of the workforce, and a target*  
15 *unemployment rate of no more than 4 percent for the*  
16 *priority populations listed in subdivision (d) of Section*  
17 *12050.5.*

18 (b) *All persons wishing to receive training and*  
19 *placement services shall have access to these services.*  
20 *Potential employees from all of the priority populations*  
21 *listed in subdivision (d) of Section 12050.5 shall be*  
22 *adequately prepared to enter the workforce and to be*  
23 *retained in entry level jobs, and shall receive*  
24 *skill-development assistance and be promoted up the*  
25 *career ladder to realize their full potential as contributors*  
26 *to the state's social fabric and economy.*

27 (c) *Employees who are adequately prepared shall be*  
28 *compensated at wage levels that reflect their skill levels*  
29 *and that are adequate to support and educate themselves*  
30 *and their families.*

31 (d) *The workforce investment and economic*  
32 *development system shall have the capacity to gather*  
33 *skills needs information from both small and large*  
34 *employers on a regular basis and to adjust training*  
35 *priorities and outcomes to meet real demand in the*  
36 *marketplace.*

37 (e) *The workforce investment and economic*  
38 *development system shall bring potential employees and*  
39 *employers together with the result that all trainees and*  
40 *employment seekers will be placed in real jobs and will*



1 have continued support from the trainers and employers  
2 to retain employment and to develop additional skills  
3 until the employer takes over skills development and  
4 upgrading responsibilities.

5 (f) The workforce investment and economic  
6 development system shall adequately fund evaluation,  
7 audit, research and development, and enforcement  
8 activities so that continued progress toward the desired  
9 outcome goals may be achieved and measured. The  
10 system shall contain effective incentives to train, place,  
11 and retain all the priority populations listed in subdivision  
12 (d) of Section 12050.5.

13 (g) Effective state and local public-private  
14 partnerships shall be in place to oversee ongoing  
15 planning, implementation, and accountability efforts  
16 undertaken in the workforce investment and economic  
17 development system.

18 12050.5. (a) The Governor's Council on Workforce  
19 Investment and Economic Development is hereby  
20 created, and shall provide advisory assistance to the  
21 Governor pursuant to this article.

22 (b) It is the intent of the Legislature that the council  
23 shall fully comply with Section 111 of Title I of the federal  
24 act, which requires a state level workforce investment  
25 board that is advisory to the Governor.

26 (c) The Governor shall be a member of the council  
27 and shall appoint the other members of the council,  
28 except for the legislative representatives. The Senate  
29 representatives shall be appointed by the Senate  
30 Committee on Rules and the Assembly representatives  
31 shall be appointed by the Speaker of the Assembly.

32 (d) The composition of the council shall be consistent  
33 with the requirements of the federal Workforce  
34 Investment Act of 1998, and shall include representatives  
35 of advocacy groups for each of the following priority  
36 populations:

- 37 (1) Migrant and seasonal farm workers.
- 38 (2) Native Americans.
- 39 (3) CalWORKs program participants.
- 40 (4) Disabled persons.



1 (5) Youth entering the workforce.

2 (6) Homeless persons.

3 (7) African-American males.

4 (8) Veterans.

5 (9) Other underemployed populations, including  
6 recent immigrants and parolees.

7 (e) The council shall also include academics and  
8 researchers with expertise in economic development and  
9 workforce preparation.

10 (f) The initial duties of the council shall be those set  
11 forth in Section 111 of Title I of the federal act (29 U.S.C.  
12 Sec. 2821). The Governor shall otherwise establish the  
13 duties of the council.

14 (g) Council staff may be appointed by the Governor to  
15 assist the council in carrying out its responsibilities.

16 (h) Commencing with the 2000–01 fiscal year, funding  
17 for the support of the council shall be appropriated in the  
18 annual Budget Act.

19 12050.6. The Governor shall designate one agency to  
20 serve as the lead agency in the implementation of this  
21 article.

22 12050.7. (a) There is hereby created in the lead  
23 agency designated by the Governor, pursuant to Section  
24 12050.6, an Office of Statewide Workforce Investment  
25 and Economic Development Programs.

26 (b) The initial duties and responsibilities of the office  
27 shall be as follows:

28 (1) Under the direction of the director of the lead  
29 agency, the office shall develop, fund, and oversee the  
30 implementation of statewide activities that are deemed  
31 appropriate to achieve the state's goals, objectives, and  
32 responsibilities under this article and the federal act.  
33 These may include utilization of any discretionary funds  
34 available to the Governor's office as the Governor may  
35 make available for these programs, and other available  
36 funds, for the purpose of developing and implementing  
37 the continuing improvement, support, and  
38 accountability systems pursuant to Section 12050.8,  
39 providing incentive grants and other support for regional  
40 coordination efforts pursuant to Section 12050.9,



1 *providing special activities and grants to ensure that*  
2 *effective training and support services are delivered to*  
3 *members of the priority populations listed in Section*  
4 *12050.5, and for other related purposes as determined by*  
5 *the Governor.*

6 (2) *To assist the Governor's Office of Planning and*  
7 *Research in the operation of a coordinated system so that*  
8 *federal moneys applied for and received by the state for*  
9 *workforce investment or economic development*  
10 *purposes by various state and local agencies are*  
11 *coordinated, nonduplicative, and directed toward the*  
12 *purposes set forth in this article.*

13 (c) *The Governor may establish additional duties and*  
14 *responsibilities for the office as necessary to achieve the*  
15 *purposes of this article.*

16 12050.8. (a) *There is hereby created in the lead*  
17 *agency designated pursuant to Section 12050.6, a state*  
18 *system of continuing improvement, support, and*  
19 *accountability for workforce investment and economic*  
20 *development.*

21 (b) *The initial purposes of the system established by*  
22 *subdivision (a) are as follows:*

23 (1) *To design, fund, implement, and evaluate*  
24 *state-level evaluation, audit, support, reward, and*  
25 *enforcement activities, as well as research and*  
26 *development activities, so that continued progress*  
27 *toward the objectives set forth in this article can be*  
28 *achieved and measured, and compliance with the federal*  
29 *act requirements can be documented.*

30 (2) *To design, fund, and implement (A) data*  
31 *collection and reporting systems that will gather timely*  
32 *and accurate information regarding the skills needed by*  
33 *California employers and (B) mechanisms that will result*  
34 *in timely adjustment of training priorities, content, and*  
35 *outcomes to meet real demand in the marketplace.*

36 (3) *To design, fund, implement, and continuously*  
37 *improve systems to document the compensation and*  
38 *retention of employees trained pursuant to this article.*

39 (4) *To design, fund, and implement evaluation*  
40 *systems that include outcome measures appropriate to*



1 *the hard-to-train employee as well as the short-term*  
2 *trainee.*

3 *(c) Other purposes as determined by the Governor*  
4 *that are consistent with the purposes of this article.*

5 12050.9. *(a) As encouraged by Section 116(c) of the*  
6 *federal act, it is the policy of the state to implement*  
7 *regional approaches that define economic regions and*  
8 *labor markets, promote cooperation and planning among*  
9 *adjoining workforce investment areas, and promote*  
10 *cooperation between areas of high and low*  
11 *unemployment to encourage labor exchange, training,*  
12 *and placement programs.*

13 *(b) In furtherance of the policy stated in subdivision*  
14 *(a), the Governor is encouraged to do all of the following:*

15 *(1) Identify regional economic areas that will bring*  
16 *together several local workforce investment areas for*  
17 *planning and service implementation purposes.*

18 *(2) Exercise discretion to set aside youth funds*  
19 *(Section 128 of the federal act) and adult funds (Section*  
20 *133 of the federal act) to identify factors relating to excess*  
21 *youth and adult poverty and unemployment and to*  
22 *utilize regional or industrywide approaches to achieve*  
23 *the goals set forth in this article, and to provide incentive*  
24 *grants to local or regional entities through the Office of*  
25 *Statewide Programs, to achieve this purpose.*

26 *(3) Expand the number of partners involved in the*  
27 *workforce and economic development collaboratives*  
28 *formed pursuant to Chapter 6 (commencing with Section*  
29 *11010) of Division 3 to include community-based*  
30 *organizations and customer representatives, and expand*  
31 *the number of collaboratives if existing models are*  
32 *evaluated and found to be effective.*

33 *(4) Provide, through the office established pursuant to*  
34 *subdivision (c) of Section 12050.7, funding for the*  
35 *development and implementation of regional*  
36 *performance standards which are consistent with state*  
37 *standards and aid in the achievement of the state's goals*  
38 *pursuant to this article.*



1 12050.10. The Governor shall identify local workforce  
2 investment areas consistent with Section 116 of the  
3 federal act.

4 12050.11. (a) New local workforce investment  
5 boards shall be established in each new local workforce  
6 investment area. These boards shall meet the  
7 requirements of Section 117 of the federal act, and  
8 include all local mandatory partners required by the  
9 federal act in addition to representatives of  
10 community-based organizations, veterans organizations,  
11 and other members identified in Section 121(b)(2) of the  
12 federal act.

13 (b) The Governor shall not approve alternative  
14 entities under Section 117 of the act as local workforce  
15 investment boards unless their membership both  
16 conforms to the requirements of Section 117(b)(2) of the  
17 federal act and includes all mandatory local partners and  
18 those organizations listed in subdivision (a).

19 (c) Local workforce investment boards shall not  
20 establish or utilize nonprofit corporations, foundations, or  
21 other entities, including departments of city or county  
22 government, directly controlled by the chief elected  
23 official or the local workforce investment board to  
24 provide core, intensive, or training services or to serve as  
25 the one-stop operator.

26 (d) Local workforce investment boards shall not  
27 deliver core, intensive, or training services.

28 (e) No waivers of the policies in subdivisions (b), (c),  
29 and (d) shall be permitted.

30 SEC. 2. Chapter 4.5 (commencing with Section  
31 15035) of Division 8 of the Unemployment Insurance  
32 Code is repealed.

33 ~~is amended to read:~~

34 ~~53201. (a) The legislative body of a local agency,  
35 subject to conditions as may be established by it, may  
36 provide for any health and welfare benefits for the  
37 benefit of its officers, employees, retired employees, and  
38 retired members of the legislative body, as provided in  
39 subdivision (b), who elect to accept the benefits and who  
40 authorize the local agency to deduct the premiums, dues,~~



1 or other charges from their compensation, to the extent  
2 that the charges are not covered by payments from funds  
3 under the jurisdiction of the local agency as permitted by  
4 Section 53205.

5 (b) The legislative body of a local agency may also  
6 provide for the continuation of any health and welfare  
7 benefits for the benefit of former elective members of the  
8 legislative body who (1) served in office after January 1,  
9 1981, and whose total service at the time of termination  
10 is not less than 12 years, or (2) have completed one or  
11 more terms of office, but less than 12 years, and who agree  
12 to and do pay the full costs of the health and welfare  
13 benefits.

14 (c) (1) A legislative body of a local agency that  
15 provided benefits pursuant to subdivision (b) to former  
16 elective members of the legislative body before January  
17 1, 1995, shall not provide those benefits to any person first  
18 elected to a term of office that begins on or after January  
19 1, 1995, unless the recipient participates on a self-pay  
20 basis, as provided in subdivision (b).

21 (2) A legislative body of a local agency that did not  
22 provide benefits pursuant to subdivision (b) to former  
23 elective members of the legislative body before January  
24 1, 1994, shall not provide those benefits to former elective  
25 members of the legislative body after January 1, 1994,  
26 unless the recipients participate on a self-pay basis.

27 (3) A legislative body of a local agency that provided  
28 benefits pursuant to subdivision (b) to former elective  
29 members of the legislative body before January 1, 1994,  
30 may continue to provide those benefits to those members  
31 who received those benefits before January 1, 1994.

32 (d) The legislative body of a local agency that is a local  
33 hospital district may provide for any health and welfare  
34 benefits for the benefit of (1) members of its medical  
35 staff, employees of the medical staff members, and the  
36 dependents of both groups on a self-pay basis; and (2)  
37 employees of any entity owned, managed, controlled, or  
38 similarly affiliated with, the legislative body of the local  
39 hospital district, and their dependents, on a self-pay basis.



1 ~~(e) The provisions of this section are severable. If any~~  
2 ~~provision of this section or its application is held invalid,~~  
3 ~~that invalidity shall not affect other provisions or~~  
4 ~~applications that can be given effect without the invalid~~  
5 ~~provision or application.~~

6 ~~(f) Should any of the provisions of subdivision (a) to~~  
7 ~~(e), inclusive, be in conflict with the Public Employees'~~  
8 ~~Medical and Hospital Care Act (Part 5 (commencing~~  
9 ~~with Section 22751) of Division 5 of Title 2) and any~~  
10 ~~authorizing or supporting law otherwise required for the~~  
11 ~~operation, administration, or any other function of that~~  
12 ~~act, the Public Employees' Medical and Hospital Care Act~~  
13 ~~shall prevail over the conflicting action or actions with~~  
14 ~~respect to any local agency employer contracting with~~  
15 ~~the Public Employees' Retirement System for health~~  
16 ~~coverage.~~

17 ~~(g) Any local agency that contracts with the Public~~  
18 ~~Employees' Retirement System for the purpose of~~  
19 ~~providing health care benefits for their employees and~~  
20 ~~retirees, including, but not limited to, elected officials of~~  
21 ~~the contracting public agency, shall be subject to and~~  
22 ~~comply with all provisions applicable to public agencies~~  
23 ~~under the Public Employees' Medical and Hospital Care~~  
24 ~~Act and any authorizing or supporting law otherwise~~  
25 ~~required for the operation, administration, or any other~~  
26 ~~function of that act.~~

