

ASSEMBLY BILL

No. 165

Introduced by Assembly Member Carter

January 28, 2009

An act to amend Section 18000 of the Business and Professions Code, and to amend Section 14013 of, and to add Sections 14001 and 14013.2 to, the Unemployment Insurance Code, relating to microenterprises.

LEGISLATIVE COUNSEL'S DIGEST

AB 165, as introduced, Carter. Microenterprises: economic development.

(1) Existing law encourages local governments as well as California communities and the public agencies that serve them to promote microenterprise, as defined, development.

This bill would revise the definition of microenterprise.

(2) The federal Workforce Investment Act of 1998 provides for workforce investment activities, including activities in which states may participate. 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, among other things, to assist the Governor with promoting the development of a well-educated and highly skilled workforce and developing the State Workforce Investment Plan.

This bill would express findings and declarations of the Legislature with respect to the self-employment workforce in the state, and the importance of all Californians having the opportunity to receive the training for entrepreneurial and self-employment provided for under the federal act.

This bill would additionally require the board to assist the Governor by recommending policy and providing technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment board programs as authorized under the federal act.

(3) The bill would also require the board, by January 1, 2011, to develop and distribute guidelines, or provide other assistance to, local workforce investment boards to help them implement entrepreneurial and self-employment training programs.

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 18000 of the Business and Professions
2 Code is amended to read:

3 18000. (a) ~~(1)~~ For purposes of this part, “microenterprise”
4 means a sole proprietorship, partnership, or corporation that meets
5 all of the following requirements:

6 ~~(A)~~

7 ~~(1)~~ Has fewer than five or fewer employees, including the owner.

8 ~~(B)~~

9 ~~(2)~~ Is part time or full time.

10 ~~(C)~~

11 ~~(3)~~ Generally lacks *sufficient* access to conventional loans,
12 equity, or other banking services.

13 ~~(2) Microenterprises are distinct from small businesses or~~
14 ~~microbusinesses and include, but are not limited to, businesses~~
15 ~~that provide child development services, businesses that provide~~
16 ~~landscaping services, businesses that provide building maintenance,~~
17 ~~businesses that provide personal and business services, businesses~~
18 ~~that provide specialty food products, and home-based businesses.~~

19 (b) For purposes of this part, “microenterprise development
20 provider” means a nonprofit or public agency that provides
21 self-employment training, technical assistance, and access to
22 microloans to individuals seeking to become self-employed or to
23 expand their current business.

24 SEC. 2. Section 14001 is added to the Unemployment Insurance
25 Code, to read:

26 14001. The Legislature finds and declares the following:

1 (a) Nearly one-third of California's workforce is comprised of
2 independent and self-employed workers, including entrepreneurs,
3 contractors, independent consultants, and home-based businesses.

4 (b) The self-employed workforce in California has grown by
5 over 100 percent in the last 15 years.

6 (c) The federal Workforce Investment Act of 1998 (29 U.S.C.
7 Sec. 2801 et seq.) provides that states should offer training and
8 workforce development services through state and local workforce
9 investment boards. In fulfilling these duties, it is important that
10 all Californians have the opportunity to receive entrepreneurial
11 and self-employment training, as well as other training that can
12 help them successfully work for others.

13 (d) It is the policy of the State of California, to the extent
14 feasible, to provide individuals with the opportunity to learn skills
15 needed to pursue self-employment opportunities in order to provide
16 a stable income for them and their families.

17 SEC. 3. Section 14013 of the Unemployment Insurance Code
18 is amended to read:

19 14013. The board shall assist the Governor in the following:

20 (a) Promoting the development of a well-educated and highly
21 skilled workforce.

22 (b) Developing the State Workforce Investment Plan.

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

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

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

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

29 ~~(4) Targeting resources to high-wage industry sectors that are~~
30 ~~either high-growth sectors or critical to California's economy, or~~
31 ~~both.~~

32 (d) Developing and continuously improving the statewide
33 workforce investment system as delivered via the one-stop delivery
34 system, including:

35 (1) Developing linkages in order to ~~assure~~ *ensure* coordination
36 and nonduplication among workforce programs and activities.

37 (2) Reviewing local workforce investment plans.

38 ~~(3) Providing guidance to ensure services reflect the needs of~~
39 ~~high-wage industry sectors.~~

(e) Commenting, at least once annually, on the measures taken pursuant to the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990 (~~Public~~ *Public* Law 101-392; 20 U.S.C. Sec. 2301 et seq.).

(f) Designating local workforce investment areas within the state based on information derived from all of the following:

(1) Consultations with the ~~Governor~~ *board*.

(2) Consultations with the chief local elected officials.

(3) Consideration of comments received through the public comment process, as described in Section 112(b)(9) of the federal Workforce Investment Act of 1998 (*29 U.S.C. Sec. 2822(b)(9)*).

(g) Developing and modifying allocation formulas, as necessary, for the distribution of funds for adult employment and training activities, for youth activities to local workforce investment areas, and dislocated worker employment and training activities, as permitted by federal law.

(h) Coordinating the development and continuous improvement of comprehensive state performance measures, including state adjusted levels of performance, to assess the effectiveness of the workforce investment activities in the state.

(i) Preparing the annual report to the United States Secretary of Labor.

(j) Recommending policy for the development of the statewide employment statistics system, including workforce and economic data, as described in Section 15 of Title 29 of the United States Code, and using, to the fullest extent possible, the Employment Development Department's existing labor market information systems.

(k) Recommending strategies to the Governor for strategic training investments of the Governor's 15-percent discretionary funds.

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

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

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

1 (o) *Recommending policy and providing technical assistance*
2 *on entrepreneurial training opportunities that could be made*
3 *available through programs of local workforce investment boards*
4 *as authorized under the federal Workforce Investment Act of 1998.*

5 SEC. 4. Section 14013.2 is added to the Unemployment
6 Insurance Code, to read:

7 14013.2. By January 1, 2011, the California Workforce
8 Investment Board shall develop and distribute guidelines or provide
9 other assistance, or both, to local workforce investment boards to
10 help them implement entrepreneurial and self-employment training
11 programs. In the development of these guidelines or other
12 assistance, the board may consult with state agencies and small
13 business-related associations, as appropriate.