

Date of Hearing: April 21, 2009

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT AND THE
ECONOMY

V. Manuel Perez, Chair

AB 1378 (V. Manuel Perez) – As Introduced: February 27, 2009

SUBJECT: California Workforce Investment Board: veterans' workforce program.

SUMMARY: Establishes the Veterans Workforce Program (Veterans Program) within the California Workforce Investment Board (CWIB) for the purposes of providing a comprehensive workforce development program to assist veterans with the transition to civilian work.

Specifically, this bill:

- 1) Establishes the Veterans Program within the CWIB for the purposes of providing a targeted workforce training assessment and a job referral program for veterans.
- 2) Requires the CWIB to work with the California Employment Training Panel and representatives of the California Department of Veterans Affairs (CDVA) to implement and administer the Veterans Program.
- 3) Provides that a consortium of state workforce entities, lead by the CWIB shall develop program objectives, timelines for action and program evaluation criteria.
- 4) Specifies that the Veterans Program shall include:
 - a) Outreach to the veterans community;
 - b) Assessment of job skills acquired during military service that may be used or adapted for civilian purposes;
 - c) Referrals to specific training opportunities and prospective jobs; and
 - d) Information on ways to finance training opportunities.
- 5) Requires an annual report to the Governor and the appropriate policy and budget committees in the Legislature on the program's effectiveness with respect to the provisions of enhanced job skills, and employment opportunities for transitioning veterans.
- 6) Provides that this program shall only be implemented to the extent that the sum of \$250,000 are available to the state under the federal Workforce Investment Act of 1998.
- 7) Sunsets the Veterans Program on January 1, 2012.

EXISTING LAW:

- 1) The federal Workforce Investment Act of 1998, offers a comprehensive range of workforce development moneys to finance activities through statewide and local organizations. Eligible

clients include, but are not limited to, people looking for jobs, laid off workers, youth, or persons just entering the job market, veterans and persons with disabilities.

- 2) Establishes the CWIB for the purpose of assisting the state in meeting the requirements of the federal Workforce Investment Act of 1998 (WIA), as well as assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system.
- 3) Requires each local workforce investment board to establish at least one full service one-stop career center in the local workforce investment area. One-Stop career centers are required to include a specified group of job search related entities and provide jobseekers with integrated employment, education, training, and job search services. Employers can also be provided with access to career and labor market information, job placement assistance, and other such services as the businesses in the community may require.

FISCAL EFFECT: Unknown

COMMENTS:

- 1) Purpose: According to the author, over the years, our nation has called on our service men and women in the Armed Forces to protect and serve Americans at home and abroad. Upon their honorable completion of service and their return home, veterans face tremendous challenges transitioning back into civilian life. In fact many desperately struggle to find jobs, housing, health services, and other needed social services. In some cases, recovery from physical and psychological injuries makes the transition into civilian life even more challenging. Without adequate employment opportunities or workforce training, American veterans have little options for their futures outside of reenlistment for military service or unemployment and potentially homelessness.

Every veteran should be afforded the opportunity for a bright future and all the tools and resources necessary to achieve success in their lives as civilians. Upon returning home, veterans should not have to suffer a diminished quality of life as a result of their service to the nation. AB 1378 would help ensure that veterans obtain competitive workforce skills for the new green economy and thus the opportunity to obtain good paying jobs that are sustainable.

- 2) California Veterans: The California Department of Veterans Affairs (CDVA) is responsible for administering a number of special programs, benefits and services for California veterans and their families. The US Department of Veterans Affairs (USDVA), estimates the National Veteran Population as of 2007 was 23,442,000. In California there are roughly 2,078,000 veterans, which make up 8.8% of the national population. While most veterans are men, 8% of the veteran population are women.

Veterans are facing a tremendous challenge transitioning back into civilian life. After having served in the armed forces, veterans returning to the California civilian workforce find that the jobs they once had are now gone. A USDVA study found that 18% of the veterans who sought jobs within one to three years of discharge are unemployed, while one out of four who did find jobs earned less than \$21,840 a year.

- 3) How well are veterans being served? Although federal and state law provides for a variety of workforce development programs, the needs of veterans seem to be continually overlooked or overshadowed by other workforce development priorities.

The Economic Development Department (EDD) annually receives federal funding to support veteran outreach professionals in Sacramento and also located in the EDD One-Stop Career Centers throughout the state. Concerns have been raised that these workforce development professionals may not be used to their maximum potential. Additionally, the federal stimulus will be providing significant new dollars for California workforce development programs. If the state takes a business as usual approach, it is not clear that our veterans will be best served.

Other states have faced similar challenges some have made small changes in program delivery and others have taken very dramatic changes. As an example, in 2005, Texas passed H.B. 2604, which reorganized all the veteran focused programs under one entity, and named it the "Texas Veterans Commission." Under this new bill, the Texas Veterans Commission became the central administering entity for all veteran related programs. According to the US Department of Labor, the hiring rate for veterans in Texas increased from 57% in 2006 to a 85% success rate in 2008.

By comparison, California's success rate for helping veterans obtain jobs was 52% in 2006 and remained there through 2008. AB 1378 provides for a more integrated approach for the state to provide veteran services, including outreach, skill assessments, training, and help with job placement.

- 4) Workforce Investment Board (WIB): The role of the WIB is to assist the Governor in designing a statewide plan and establishing appropriate policy for workforce development programs. WIA funding is distributed to states based on a set formula which includes specified economic and demographic data. California's share has declined over the years from a high of \$630 million in 2000-01 to an estimated \$427 million 2009-10.

Pursuant to federal WIA requirements, 85% of funding flowing to the states are reallocated to the local workforce investment boards. Resources used to carry out CWIB activities are derived from the Governor's 15% WIA Discretionary funds. The 2009-10 estimated WIA allocation to local workforce investment boards is \$363 million, while the state will receive about \$63 million in discretionary moneys. Recent budget actions, however, redirected portions of state discretionary moneys to offset General Fund employment and training costs at the California Department of Corrections and Rehabilitation or the California Conservation Corp.

Under the \$787 billion federal stimulus package, California is expected to receive \$480 million in supplemental funding through three WIA funding streams: Youth formula grants, dislocated worker funding, and adult services grants. The chart below outlines the expected WIA funding for California.

WIA Funding in the 2009 Federal Stimulus Package		
	Funding Available Nationally	Funding Available in California
Youth Activities	\$1,188,000,000	\$186,622,034

Adult Activities	\$495,000,000	\$80,117,954
Dislocated Worker	\$1,435,500,000	\$221,906,888

Of the \$480 million in WIA moneys targeted for California, the CWIB is expected to receive approximately \$70 million to carry out supplemental activities related to the federal stimulus programs. These moneys are required to be fully expended in 24 months. The dislocated worker and adult activities moneys are distributed to the state under existing Workforce Investment Act formulas.

- 5) One Stop Service Centers and Wagner-Peyser Funding: Among the Economic Development Department's (EDD) most important missions is to ensure that California's workforce has the skills that employers need to manage their businesses. EDD's major workforce investment programs include the California One-Stop Career Centers, the California Jobs Service Program (CalJOBS), Employment Training Panel, and the Workforce Investment Program.

The One-Stop Career Center system is a statewide network of centers that provide employment, education, and training services all in one location. The One-Stop Centers work with public and private non-profit partners to provide their services. The One-Stop Centers include programs such as Job Services, Unemployment Insurance, Vocational Education, and Vocational Rehabilitation. The One-Stop Centers provide their services in English and Spanish, and are organized around a locally determined set of priorities, which are designed to meet the unique employment needs in each community. All but two of California's 58 counties have a One-Stop Center, with many counties having multiple one-stop locations.

The federal Wagner-Peyser Act (WPA) funds employment training programs administered through EDD, most specifically, the employment services through the One-Stop Career Center service delivery structure. The state currently receives about \$80 million in WPA funds. Services funded with WPA moneys include: job search assistance, job referral, placement assistance for job seekers, reemployment services to unemployment insurance (UI) claimants, and recruitment services to employers with job openings.

The Recovery Act provides an additional \$47 million in WPA funds for state employment services. Of this amount, approximately, \$29 million is required to be used for reemployment services to Unemployed Insurance claimants.

State	Total Allotment	RES	Other
Total	\$396,000,000	\$247,500,000	\$148,500,000
California	46,970,564	29,356,604	17,613,960

- 6) California Employment Training Panel: The Employment Training Panel (ETP) was created in 1983, it assists employers in strengthening their competitive edge by providing funds to off-set the costs of job skills training necessary to maintain high-performance workplaces. ETP is governed by an 8 member panel of which 7 are appointed by the Governor and the Assembly and Senate leadership the last the Secretary of Business, Transportation and Housing.

The ETP has made service to veterans a priority and has included a new pilot program for veterans as part of their Strategic plan for FY 2008-09 and plan to award the program \$2 million for the current fiscal year. The veterans pilot program, was created with the intent to recruit, train, and place unemployed veterans in jobs as full-time employees.

- 7) California Economic Development Recovery Strategy: In anticipation of the enactment of the \$787 billion federal stimulus package, Assemblyman Pérez, Chairman of the Assembly Economic Development Committee, called for the preparation of a statewide 24 month blueprint on how to most effectively use federal stimulus funds to address the state's most immediate economic and workforce needs while still serving as a catalyst for advancing the state's long-term economic growth. In March 2009, the Recovery Strategy was published and is currently out for public comment.

The Recovery proposed to use the broadest set of community, economic, and workforce development tools to link these new federal resources with the people and organizations they are designed to serve. In order to accomplish this important task, the Recovery Strategy recommends that the state serve as a facilitator to support and enhance each community's individual initiative to design and implement policies and programs which best fits their needs. The recommended actions in the Recovery Strategy are organized around five community development goals. The five goals are to:

- a) Goal 1 – Improve business access to business capital
- b) Goal 2 – Target infrastructure projects that link to economic development
- c) Goal 3 - Expedite workforce services and training opportunities
- d) Goal 4 – Enhance local and regional community development capacity
- e) Goal 5 – Ensure that the state's recovery strategy is a plan for all Californians

This bill implements recommended actions to accomplish goal 5 from the California Economic Development Recovery Strategy to ensure that the state's recovery strategy is a plan for all Californians.

- 8) Related legislation: Below are bills related to the Workforce Investment Board.
- a) AB 165 (Carter): Requires the CWIB to make recommendations and provide technical assistance on entrepreneurial training opportunities that could be made available through local workforce investment boards. The bill makes other related changes to the definition of microenterprise, as well as deleting requirements from the duties of the CWIB. The bill will be heard in Assembly Committee on Jobs, Economic Development and the Economy on April 21, 2009.
 - b) AB 1567 (Committee on Veterans Affairs): This bill would require that the Employment Training Panel Plan include a statement detailing the employment training goals, objectives, and strategies that may be implemented to support target populations in need of employment training, including military veterans. Status: The bill is in Assembly Committee on Veteran Affairs.

- c) AB 2998 (Carter): This bill would have required the California Workforce Investment Board to develop guidelines for entrepreneurial training by January 1, 2010. The bill also adds legislative intent on the importance of all Californians having access to training related to self employment and entrepreneurship. The bill was held in the Senate Appropriations Committee in 2008.
- d) SB 293 (Duchney): This bill replaces the Family Economic Security Act in the California Unemployment Insurance Code with provisions that generally implement the Workforce Investment Act (WIA) of 1998 in California. Even though a majority of the provisions in the bill are taken from the federal WIA, there are new, California provisions which will require substantive changes in the workforce system.

There are also re-articulations of some federal requirements that will require interpretation and guidance to Local WIB's, as well as minor adjustments in the way that the state and Local WIBs conduct business. The first is the requirement that the California WIB create a strategic workforce plan for the State. The State Plan is intended to serve as a framework for the Strategic Two-Year Plan for the WIA. It will also serve as a framework for the development of workforce policy and fiscal investment, and for the operation of California's labor exchange, workforce education, and training programs. Status: Signed into law, Chapter 630, Statutes of 6006

- 9) Double Referral: The Assembly Rules Committee referred this bill to two policy committees. Should this measure pass the Assembly Committee on Jobs, Economic Development and the Economy, it will be referred to the Assembly Committee on Veterans Affairs.

REGISTERED SUPPORT / OPPOSITION:

Support

Assembly Jobs, Economic Development and the Economy

Opposition

None on file

Analysis Prepared by: Toni Symonds / Mercedes Flores / J., E.D. & E. / (916) 319-2090