

Date of Hearing: January 5, 2010

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT AND THE  
ECONOMY

V. Manuel Perez, Chair

AB 1378 (V. Manuel Perez) – As Amended: January 4, 2010

SUBJECT: California Workforce Investment Board: veterans' workforce accountability act.

SUMMARY: Implements the Veterans Workforce Accountability Act (Act) under the administration of the California Workforce Investment Board (CWIB) for the purposes of providing a method for the comprehensive outcome-oriented evaluation on the effectiveness of the state's expenditures for veteran workforce development programs. Specifically, this bill:

- 1) Requires the CWIB to conduct an annual assessment evaluating the effectiveness of federally funded and state administered programs that are designed to assist veterans transition into civilian work, including but no limited to, the eighteen million dollar (\$18,000,000) annual grant that the state receives from the U.S. Department of Labor (USDOL) for veteran workforce training.
- 2) Requires the CWIB to develop clear, comprehensive and transparent objectives and appropriate criteria that can be used to undertake the required assessment of the effectiveness of the existing workforce training and job referral programs for California veterans.
- 3) Requires the CWIB, in consultation with the Employment Training Panel (ETP), the Department of Veterans' Affairs (CDVA) and Employment Development Department (EDD), to outline, implement and administer the provisions of the Act.
- 4) Requires that the assessment contain ways to evaluate the extent to which:
  - a) Moneys are being spent for outreach, assessment of job skills, and interests and referral of veterans to specific training opportunities and prospective jobs;
  - b) Information is provided to veterans regarding ways to finance training opportunities that require fees or the payment of tuition.
  - c) Funds are being used to assess job skills acquired during military service that could be used or adapted for civilian jobs by the veteran.
  - d) Funds are being used to provide workforce training and job referral programs for eligible veterans at one-stop career centers.
- 5) Requires an annual report to the Governor and the appropriate policy and budget committees in the Legislature on the effectiveness of the job skills training and employment opportunities being provided to transitioning veterans.
- 6) Provides that the requirements of this bill will only be implemented to the extent that federal funds are made available.

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 few options for their futures outside of reenlistment for military service or unemployment and potential homelessness.

According to the author, every veteran should be afforded the opportunity for a bright future and that the state should try to help them access all tools and resources necessary to achieve success in their civilian lives. Upon returning home, veterans should not have to suffer a diminished quality of life as a result of their service to the nation.

Currently, California receives \$18 million dollars annually from the USDOL to pay for approximately 180 workforce training staff. Assigned to positions within EDD, these federally funded staff are exclusively dedicated to serving the needs of veterans. The purpose of AB 1378 is to ensure that money designated to assist veterans is best utilized and that veterans have the opportunity to develop the competitive workforce skills required to obtain good paying jobs.

- 2) California Veterans: The 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 is 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 veterans 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 can sometimes be overlooked or overshadowed by other workforce development priorities.

As noted earlier, EDD annually receives \$18 million in federal funding to support veteran outreach professionals in Sacramento and in the EDD One-Stop Career Centers throughout the state. Concerns have been raised by the veteran advocacy community that these workforce development professionals may not be used to their maximum potential. Additionally, in 2009 significant new federal dollars were provided for California workforce development programs, but it is unclear how much of those moneys will end up serving veterans.

With moneys available, it then falls to the state to ensure that those moneys are best leveraged and integrated with other resources available to serve veterans. Following is a list of questions regarding workforce resources and training that could be addressed through the implementation of this bill:

- a) How well does the state strategically combine federal, state and local veteran workforce resources?
- b) Are the EDD One-Stop Career Centers successful in helping veterans connect with small business information?
- c) Are the EDD veteran workforce specialists trained to know other state, local and federal programs and services that are designed to meet the workforce training needs of veterans.

As an example of unique local resources, several, but not all, local workforce investment boards are linking through the Internet to a web-based portal developed by CALED's affiliate education nonprofit, "Tools for Business." On this portal, veterans can learn about economic and workforce development programs for which they or their employer could be eligible. Currently, the San Bernardino's One-Stop Career Center [www.sbeta.toolsfortrade.info](http://www.sbeta.toolsfortrade.info), the Imperial Economic Development Corporation [www.ivedc.toolsforbusiness.info](http://www.ivedc.toolsforbusiness.info), and the Smart Business Resource Center funded through the Northern Rural Training and Employment Consortium [www.thesmartcenter.biz/aboutus.htm](http://www.thesmartcenter.biz/aboutus.htm) all use "Tools for Business."

California isn't alone in assessing and addressing the quality of its services to veterans. Other states have faced similar challenges leading to modest and dramatic changes in program delivery. As an example, in 2005, Texas enacted H.B. 2604, which reorganized all the veteran focused programs under one entity and named it the "Texas Veterans Commission." Under this bill, the Texas Veterans Commission became the central administering entity for

all veteran related programs. According to the USDOL, the hiring success rate for veterans in Texas increased from 57% in 2006 to 85% in 2008.

By comparison, California's success rate for helping veterans obtain jobs was 52% in 2006 and remained constant through 2008.

AB 1378 proposes that the state take a comprehensive, systematic and outcome oriented look at how it currently serves the workforce development needs of veterans. This assessment could provide key information on how California could have a more integrated and successful approach to providing veteran services using existing resources, including outreach, skill assessments, training, and help with job placement.

- 4) 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.

The Recovery Strategy 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 meet their needs.

This bill implements several recommendations in the Recovery Strategy, including the overall objective to manage resources toward defined outcomes, utilizing solid planning principles and good data. The Recovery Strategy further recommends that the state take a special focus on the workforce training, assessment and referral needs for veterans including identifying and enhancing skills that service men and woman acquired while serving in the military and converting those skills for civilian work.

- 5) Background on workforce training dollars: The following are descriptions, including funding levels, for existing workforce training programs and services.
  - a) 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 is 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 was 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.

<b>WIA Funding in the 2009 Federal Stimulus Package</b>		
	<b>Funding Available Nationally</b>	<b>Funding Available in California</b>
<b>Youth Activities</b>	\$1,188,000,000	\$186,622,034
<b>Adult Activities</b>	\$495,000,000	\$80,117,954
<b>Dislocated Worker</b>	\$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.

- b) One-Stop Service Centers and Wagner-Peyser Funding: Among EDD's 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 UI claimants.

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

- c) 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 offset 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 and the last member is the Secretary of Business, Transportation and Housing.

The ETP has made service to veterans a priority and included a new pilot program for veterans as part of its Strategic plan for FY 2008-09. The ETP had planned to award \$2 million for the veteran's pilot program, however, due to the state's budget deficit, larger than anticipated amounts of money were shifted to the CalWORKS Program.

- 6) Related legislation: Below are bills related to the veteran and workforce training.
- a) AB 165 (Carter): This bill would have required 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. Status: Held by the Assembly Committee on Appropriations in May 2009.
- b) AB 1567 (Committee on Veterans Affairs): This bill would have required 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. Status: Held in the Senate Appropriations Committee in 2008.
- d) SB 293 (Ducheny): This bill replaced the Family Economic Security Act in the California Unemployment Insurance Code with provisions that generally implement the Workforce Investment Act 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 require interpretation and guidance to local WIBs, 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 also serve's 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

- 7) 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 Committee on Jobs, Economic Development and the Economy (Sponsor)  
California Association of Veteran Service Agencies

Opposition

None on file

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