

**ASSEMBLY BILL**

**No. 1106**

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**Introduced by Assembly Members Cervantes and Reyes**

February 18, 2021

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An act to add and repeal Section 13997.3 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1106, as introduced, Cervantes. Employment Training Panel: pilot program: employment training needs.

Existing law establishes the Employment Training Panel within the Employment Development Department. Under existing law, the panel is charged with performing various duties, including establishing a 3-year plan based on the demand of employers for trained workers, changes in the state's economy and labor markets, and continuous reviews of the effectiveness of panel training contracts.

Existing law establishes the California Community Colleges Economic and Workforce Development Program with the purpose of, among other things, using labor market information to advise the chancellor's office and regional community college bodies on the workforce needs of the state's competitive and emerging industry sectors, and collaborating and coordinating investment with other state, regional, or local agencies involved in education and workforce training in California.

This bill, upon appropriation by the Legislature, would require the Employment Training Panel to establish a pilot program to serve the employment training needs of small businesses. The bill would require the program to leverage the capacity of the existing statewide network of community college contract education centers operating with multiple employer contracts. The bill would require the Employment Training

Panel to develop the pilot project to achieve specified purposes, including strengthening the linkages between higher education institutions and employers. The bill would require the Employment Training Panel, in developing the program, to work with key workforce and economic development partners, including the California Community Colleges, the Governor’s Office of Business and Economic Development, the Labor and Workforce Development Agency, and the California Workforce Development Board. The bill would also authorize the Employment Training Panel to establish an advisory board consisting of certain stakeholders. The bill would require the Employment Training Panel to submit 2 reports to the appropriate legislative committees on the implementation of the program and program activities, as specified. The bill would repeal these provisions on January 1, 2026.

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. (a) The Legislature finds and declares all of the  
 2 following:  
 3 (1) California’s dominance in many economic areas is based,  
 4 in part, on the significant role small businesses play in the state’s  
 5 \$3.1 trillion economy.  
 6 (2) Two separate studies, one by the United States Census  
 7 Bureau and another by the Kaufman Foundation, found that net  
 8 job growth was strongest among businesses with less than 20  
 9 employees. California firms represented 12.6 percent of all  
 10 businesses in the United States in 2015, with 88.3 percent of firms  
 11 having less than 20 employees.  
 12 (3) Supporting small business development has shown to be a  
 13 successful inclusive economic growth strategy advantaging  
 14 businesses throughout the state, including historically underserved  
 15 business groups such as minority-, women-, and veteran-owned  
 16 businesses, and hard to serve areas of the state such as low wealth,  
 17 rural, and disaster-impacted communities.  
 18 (b) In order for the state to fully leverage the economic  
 19 opportunities represented by supporting small businesses, it is the  
 20 intent of the Legislature to facilitate the integration of the statewide  
 21 network of workforce training centers administered by the  
 22 community college contract education centers within the existing

1 network of small business technical and financial assistance  
2 centers.

3 (c) In order to better serve the workforce training needs of  
4 employers and workers, it is the intent of the Legislature to build  
5 upon existing coordination efforts between successful programs  
6 at the Employment Training Panel, the California Community  
7 Colleges, and California’s local workforce development boards.  
8 Recovering from the economic impacts of the COVID-19 pandemic  
9 is placing increased pressure to upskill unemployed and incumbent  
10 workers. A more robust regional education and training system is  
11 better able to meet the range of workforce needs of business and  
12 industry.

13 SEC. 2. Section 13997.3 is added to the Government Code, to  
14 read:

15 13997.3. (a) The Employment Training Panel shall establish  
16 a pilot program to serve the employment training needs of small  
17 businesses. The pilot program shall leverage the capacity of the  
18 existing statewide network of community college contract  
19 education centers operating with multiple employer contracts.

20 (b) The Employment Training Panel shall develop the pilot  
21 program to achieve all of the following purposes:

22 (1) To support the upskilling of the regional workforce to meet  
23 the demand for jobs in essential industry sectors during the  
24 COVID-19 pandemic and in the emerging and dominant industry  
25 sectors in the post COVID-19 economy.

26 (2) To strengthen the linkages between higher education  
27 institutions and employers.

28 (3) To enhance the linkages between regional education and  
29 training system partners and the regional small business financial  
30 and technical assistance centers.

31 (c) (1) In developing the program, the Employment Training  
32 Panel shall consult with key workforce and economic development  
33 partners, including, but not limited to, the California Community  
34 Colleges, the Governor’s Office of Business and Economic  
35 Development (GO-Biz), the Labor and Workforce Development  
36 Agency, and the California Workforce Development Board.

37 (2) The Employment Training Panel may establish an advisory  
38 board of stakeholders, including, but not limited to, businesses,  
39 workers, economic developers, chambers of commerce, small  
40 business technical assistance centers, and public entities.

- 1 (d) The Employment Training Panel shall submit to the  
2 appropriate legislative committees, in compliance with Section  
3 9795, both of the following reports:
- 4 (1) Six months from initial funding, a progress report on the  
5 implementation of the program.
- 6 (2) On or before October 1, 2022, a report on program activities  
7 since the prior report.
- 8 (e) This section shall become operative only upon the  
9 Legislature making an appropriation to implement the provisions  
10 of this section.
- 11 (f) This section shall remain in effect only until January 1, 2026,  
12 and as of that date is repealed.

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