

CONCURRENCE IN SENATE AMENDMENTS

AB 1111 (Eduardo Garcia, et al.)

As Amended September 8, 2017

Majority vote

ASSEMBLY: 77-0 (May 30, 2017) SENATE:

Original Committee Reference: **J., E.D., & E.**

SUMMARY: Establishes the Breaking Barriers to Employment Initiative for the purpose of assisting individuals who have multiple barriers to employment to receive the remedial education and work readiness skills to help them to successfully participate in training, apprenticeship, or employment opportunities that will lead to self-sufficiency and economic stability.

The Senate amendments delete the contents of the bill and insert Administration provided language to implement a similar, but not identical, Initiative. Among other changes, the Senate amendments:

- 1) Transfer the administration from the California Labor Agency to the California Workforce Development Board (CWDB).
- 2) Limit the use of initiative funds, including but not limited to:
 - a) Specifying that the initiative is not intended to create new workforce or education programs or to duplicate or replicate existing programs. The Initiative is, instead, intended to supplement existing funding for programs and services;
 - b) Specifying that the Initiative funding is only used for the purposes expressed in the bill and shall not draw from, supplant, or redirect existing state or federally funded education, workforce, or employment programs;
 - c) Authorizes existing state and federal funds, as specified, to be used as leverage with Initiative funds, but prohibits those funds from being used as a mandatory match; and
 - d) Deleting the language authorizing the use of initiative funds to fund full scale projects based on successful pilot projects previously funded by the CWDB, as specified.
- 3) State that those who complete these programs should have the skills and competencies necessary to successfully enter the labor market, retain employment, and earn wages that lead to self-sufficiency, and eventually, economic security.
- 4) Align the use of Initiative funding with workforce preparation, training, and education with regional labor market needs, policies of the state Workforce Innovation and Opportunity Act state plan, and the America's Job Centers of California System. As the bill passed the Assembly, the Initiative included career pathways and sector strategies which were exclusively sponsored by the community-based organization. The Assembly provision reflected the challenges of some rural community-based organizations and the perceived residence of some individuals in hard to serve populations to being "mainstreamed."

- 5) Authorize the CWDB to develop necessary policy to ensure that grants awarded under the Initiative fund activities that are consistent with this bill. In providing this broad authority to implement the initiative, the Senate amendments:
 - a) Delete the statutorily provided Initiative goals, which included:
 - i) Individuals who face multiple barriers to employment take measureable steps to remediate education and workforce readiness skills;
 - ii) Partnerships between community-based organizations and workforce development boards, community colleges, and other providers of quality education and training are demonstratively strengthened in ways that benefit their client's ability to continue to access services and that ultimately lead to career pathways and sector strategies; and
 - iii) Community-based organizations increase their capacity to achieve and measure results.
 - b) Delete the requirement that development of the Initiative be informed through consultation with public and private stakeholders, including nonprofit organizations, workforce development boards, local governments, and other entities that serve individuals who face barriers to employment and education programs;
 - c) Delete the requirement that 90% of the grantees funds be used for direct services to clients;
 - d) Delete the requirement that grants be for a term of no less than two-years; and
 - e) Delete the requirement that one component of the grant include a pre-service and training assessment, which would form the baseline for measuring the grants performance.
- 6) Require grant applications be evaluated based on the following:
 - a) The ability to provide the services proposed in the grant to the number of individuals specified in the grant as evidenced by, among other things, whether the grantee completed the work proposed;
 - b) The ability of individuals to successfully complete relevant programming funded under the grant as demonstrated by relevant measures directly related to the purpose of the program; and
 - c) The ability of individuals to transition or be integrated into the broader workforce and education system as evidenced by enrollment in relevant programs.
 - d) The ability of individuals to succeed in both the broader workforce and education system and labor market once they transition into the broader system. This shall be measured by tracking these individuals utilizing the existing performance monitoring systems and metrics governing relevant programs and outcomes once they transition into the broader system.
- 7) Provides that grant applicants may be required to participate in technical assistance activities, including, but not limited to, the convening of communities of practice to identify and help

replicate evidence-based practices and to help facilitate an assessment and evaluation of grant performance and initiative success.

- 8) Expand the eligible population of individuals who face barriers to employment to include:
 - a) Persons over the age of 50 who need re-training for in-demand skills;
 - b) Immigrants; and
 - c) Any other population groups determined by Governor as having barriers to employment, as specified.
- 9) Expand the list of eligible activities to include:
 - a) Supportive services; and
 - b) Activities undertaken to provide technical assistance activities to grant applicants, including, but not limited to, the convening of communities of practice to identify and help replicate evidence-based practices and to help facilitate an assessment and evaluation of grant performance and initiative success.
- 10) Establish the Breaking Barriers to Employment Initiative Fund for moneys made available upon appropriation to support this Initiative.
- 11) Delete the annual reporting requirement and the final report to the Legislature on the progress and success of the Initiative.

EXISTING LAW establishes and designates the CWDB as the state entity responsible for assisting the state in meeting the requirements of the federal Workforce Innovation and Opportunity Act 2014 (WIOA), as well as assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system.

FISCAL EFFECT: This bill would result in an unknown cost pressure to fund a grant program, as specified. State administrative costs would depend upon the size of the grant program. For illustrative purposes, for a future appropriation of \$10 million, the California Workforce Investment Board (CWDB) indicates that it would incur administrative costs of approximately \$430,000.

In addition, the Employment Development Department (EDD) generally serves as the fiscal agent for grant programs managed by CWDB. EDD's administrative costs are generally five to ten percent of grant funding. However, its costs can vary considerably depending on 1) the total amount of grant funding available, 2) the number of grants awarded, 3) the number of funding rounds, 4) legal challenges, and 5) the complexity of reporting requirements. Thus, based on a \$10 million appropriation, EDD's costs would be up to \$1 million.

COMMENTS: In implementing the Workforce Innovation and Opportunity Act of 2014 (WIOA), California has set aggressive new goals and objectives to guide the state's workforce development system. By 2027, California is committed to producing one million "middle-skill" industry valued and recognized postsecondary credentials and to double the number of people enrolled in apprenticeship programs.

Achieving this goal is important to California remaining competitive within the global marketplace. One of the key challenges, however, is the current labor shortage for middle-skill jobs and the significant number of workers who are not currently prepared to enter career pathways that can lead to middle-skill training.

This bill proposes a targeted initiative to assist the millions of Californians who face significant barriers to employment by offering new opportunities for them to access remedial education and obtain work readiness skills. With support, the authors' believe that these individuals will help the state in meeting its workforce development goals, while becoming financially secure and independent.

Policy Shift: The most significant policy shift proposed in the Senate amendments is to tighten the focus of the Initiative on providing individuals from historically underserved population groups with workforce training and education that is more closely aligned with dominant and emerging business needs. In doing so, the Senate amendments remove flexibility that allowed prospective workers to be linked to career pathways uniquely developed by a community-based organization to serve the targeted population.

Opposition: Concerns have been raised relative to the "pre-apprenticeship" provisions in the bill, which require, regardless of the funding source, that all pre-apprenticeship programming is aligned with WIOA requirements. Under the state WIOA requirements, pre-apprenticeship programs must "follow the Multi-Craft Core Curriculum implemented by the State Department of Education for its pilot project with California Partnership Academies."

The opponents argue that AB 1111 excludes other high quality curriculum, including that set by the National Center for Construction Education and Research (NCCER). The NCCER Core Curriculum is used in more than 70 craft areas, serves 77 programs in 32 different states, including 16 programs in California.

Further Information: The policy committee analysis includes additional background on the California economy, the state's growing income inequality, and discussion on why it is important to create new opportunities to assist individuals who face barriers to employment into the workforce.