Date of Hearing: April 23, 2019

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY
Sabrina Cervantes, Chair
AB 1726 (Cervantes) – As Introduced February 22, 2019

SUBJECT: Income taxes: California work opportunity tax credit

POLICY FRAME: While the California economy ranks 5th largest in the world, this prosperity has bypassed significant numbers of individuals who routinely face systemic barriers to employment. AB 1726 establishes a California Work Opportunity Tax Credit (CalWOTC) to encourage businesses to expand their workforce pool and hire individuals that may have otherwise been overlooked, including veterans, unskilled and low-skilled workers, individuals with developmental and other disabilities, and formerly incarcerated individuals.

The CalWOTC is designed to leverage the state's successful existing experience in administering a related federal tax credit. The policy committee analysis includes information on the state economy, growing income inequality in California, the importance of creating "on-ramps to success," and the replacement tax incentive package for the California Enterprise Zone Program. Suggested amendments are included in Comment 6.

SUMMARY: AB 1726 establishes the CalWOTC, based on the federal Work Opportunity Tax Credit (F-WOTC). More specifically, the bill authorizes a taxpayer who hires an individual from a population group who has faced systemic barriers to employment to apply a credit of up to 40% of a qualified worker's wages, not to exceed $2,400 per employee. The credit may be applied against a taxpayer's personal or corporate tax liability. Specifically, **this bill**:

1) **Purpose**: Specifies that the purpose of the California Work Opportunity Tax Credit is to encourage qualified employers to hire employees from targeted groups of individuals who have faced systemic barriers to employment.

2) **Credit Establishment**: Authorizes a CalWOTC, under both the personal income tax and corporate tax, beginning on or after January 1, 2020, and before January 1, 2025, for a qualified employer in an amount determined in accordance with the requirements of the F-WOTC, except as otherwise provided by this section.

3) **Key Terms**: Defines the following terms:

    a) "Federal WOTC" means the federal Work Opportunity Tax Credit allowed by Section 51 of the Internal Revenue Code, relating to amount of credit, as in effect on January 1, 2018.

    b) "Qualified employer" means a taxpayer that is an employer that is subject to, and is required to provide, unemployment insurance to the taxpayer's employees pursuant to the Unemployment Insurance Code.

    c) "Qualified individual" means any person who is covered by unemployment insurance by his or her employer pursuant to the Unemployment Insurance Code.

4) **Modifications to Federal Credit Provisions**: Modifies the F-WOTC as follows:

    a) The determination of the amount of credit is modified to limit the amount of tax credit to not exceed $2,400 per qualified individual.

b) The definition of qualified wages is modified as follows:

   i) The wages required to be attributable to an employee from a targeted group are modified to only include the wages of such an employee who has worked not less than 500 hours for the qualified employer.

   ii) The first $5,000 of wages attributable to services rendered are excluded from the calculation of qualified wages.

   iii) Provisions related to qualified second-year wages do not apply.

   iv) The requirement that the "U.S. Employment Service, in consultation with the Internal Revenue Service" notify employers of availability of credit is replaced with the "Employment Development Department, in consultation with the Franchise Tax Board."

   v) Certain individuals are excluded from being eligible members of targeted groups, including individuals living in specified low-income areas, summer youth employees, and the shortest-term unemployed veterans (longer-term unemployed veterans are eligible).

   vi) The special rules for agricultural labor and railway labor do not apply.

   vii) The requirement regarding individuals not meeting minimum employment periods does not apply.

   viii) The provisions relating to the election to have work opportunity not apply is modified to substitute "last date prescribed by state law" in lieu of "last date prescribed by law."

5) **Applying the Credit**: Authorizes a qualified employer to apply the California WOTC in the taxable year in which the employer receives a certification or in the taxable year in which the qualified employer paid or incurred the qualified first year wages.

6) **Issuing the Certificate**: Requires the Employment Development Department (EDD), consistent with F-WOTC, to issue certification of qualified individuals, subject to the modifications provided by this section. No credit may be claimed by a qualified employer unless and until the qualified employer obtains a certification from the EDD.

7) **Carryforward**: Authorizes the carryforward of the CalWOTC to the following taxable year, and succeeding nine years if necessary, until the California WOTC is exhausted.

8) **No Double Dipping**: Prohibits any other deduction under state law for the same qualified wages paid or incurred by the taxpayer upon which the California WOTC is based.

9) **Tracking Usage**: Requires the Department of Finance to estimate the total dollar amount of credits that will be claimed under CalWOTC with respect to each tax year from 2019–20 fiscal year to the 2025–26 fiscal year, inclusive.

10) **Reporting Credit Usage**: Requires the Franchise Tax Board to annually provide to the Joint Legislative Budget Committee, by no later than March 1, a report that includes all of the following:

    a) The total dollar amount of the credits claimed under this section with respect to the relevant fiscal year. The report shall compare the total dollar amount of credits claimed under this section with respect to that fiscal year with the department's estimate with respect to that same fiscal year.

b) The number of tax returns claiming the credit.

c) The number of qualified individuals represented on tax returns claiming the credit.

11) **Sunset**: Sunsets these provisions on December 1, 2035. The bill, however, specifies that notwithstanding the sunset, the CalWOTC statutory provisions will continue to be operative with respect to qualified individuals who commenced employment with a qualified taxpayer in a taxable year beginning before January 1, 2025.

12) **Credit Evaluation**: Specifies that the CalWOTC is to be evaluated, based on the following:

a) ***Purpose***: The purpose of the CalWOTC is to encourage employers to hire individuals from targeted population groups which have been found to face systemic barriers to employment.

b) ***Metrics***: To measure whether the credit achieves its intended purpose, EDD is required to annually prepare a report on the following:

i) The number of employers, based on employer IDs, who filed for certification.

ii) The number and percentage of employees for which certification was granted.

iii) The distribution of newly hired employees over the eight eligible targeted groups.

iv) The distribution of employers based on industry sectors.

v) The distribution of employees based on industry sectors.

13) **Posting Evaluation**: Requires, on or before October 1, 2020, and annually thereafter while CalWOTC is in effect, that EDD post on its Internet website the evaluation report and send a letter to the Assembly and Senate Desks indicating that the report is posted, as specified.

14) **Legislative Intent**: Expresses legislative intent that the CalWOTC provides an alternative credit that results in at least an equal amount of credit for the same taxpayers as the New Hire Credit, which was created as a replacement credit for the hire credit under the California Enterprise Zone Act, as specified.

15) **Legislative Findings**: Makes legislative findings and declarations that the federal Equal Employment Opportunity Commission (EEOC) has considered the questions and forms required for the federal Work Opportunity Tax Credit (F-WOTC) and found that the proper use of these questions and forms, which is using them solely for purposes of applying for the F-WOTC, does not violate federal equal employment opportunity laws. Moreover, the proper use of the F-WOTC benefits those that equal employment opportunity laws seek to protect. However, despite the EEOC approving the F-WOTC application forms, if an employer were to use the information for purposes other than to apply for the F-WOTC – for example, to discriminate in a hiring decision – the EEOC declared that the employer would not be protected from liability under equal employment opportunity laws. The Legislature further finds and declares that compliance with the F-WOTC questions and forms is necessary to ensure proper documentation and certification for employees eligible for the credit allowed by this section.

16) **Tax Levy**: Includes a tax levy provision.

EXISTING FEDERAL LAW:

1) Authorizes a taxpayer to claim the F-WOTC against federal income tax liability based on a percentage of qualified wages paid to an individual who is a member of a targeted group. Targeted groups include:

   a) Temporary Assistance to Needy Families recipients.

   b) Veterans receiving Food Stamps, or those veterans with a service connected disability who:

      i) Have a hiring date which is not more than one year after having been discharged or released from active duty, or

      ii) Have aggregate periods of unemployment during the one year period ending on the hiring date that equal or exceed six months.

   c) Ex-felons hired no later than one year after conviction or release from prison.

   d) Designated Community Residents, who are individuals between the ages of 18 and 40 on the hiring date who reside in a federal Empowerment Zone or Rural Renewal County.

   e) Vocational rehabilitation referrals, including Ticket Holders with an individual work plan developed and implemented by an Employment Network.

   f) Summer youth ages 16 and 17 who reside in an Empowerment Zone.

   g) Food Stamp recipients between the ages of 18 and 40 on the hiring date.

   h) Supplemental Security Income (SSI) recipients.

   i) Long-term family assistance recipients.

   j) Long-term unemployment recipients.

2) Requires a taxpayer to obtain certification that an individual is a member of the targeted group before the employer may claim the credit. A form is required to be submitted with the respective state agency (EDD in the case of California) within 28 days after the eligible worker begins work.

3) Prohibits a credit to be claimed on the same worker for a second time, even if the worker is rehired at a later date.

4) Prohibits a credit to be claimed for hiring family members, including sons, daughters, stepchildren, spouses, fathers, mothers, brothers, sisters, step-brothers or -sisters, nephews, nieces, uncles, aunts, cousins, and in-laws.

FISCAL EFFECT: Unknown

COMMENTS & CONTEXT:

1) **The California Economy in the Future**: As California continues to transition from the recession, businesses and workers face an economy comprised of highly integrated industry sectors that are also more geographically dispersed. Advances in technology and processes are occurring more rapidly. This is resulting in competitiveness being increasingly defined in terms of speed, flexibility, specialization, and innovation.

Economists have identified nine key trends (*see chart below*) that will most influence the U.S. and California economies. Several of these trends place new and demanding challenges on California's training and workforce system. Advances in information technology, advanced manufacturing, expanded logistical networks, and the need to have more environmentally sustainable products are just a few of the new workplace realities.

	Key Economic Trends Affecting the U.S. and California Economies
1	Cities and regions will become increasingly dominant economic players.
2	Global networks will expand as information and transportation technologies become more advanced.
3	Barriers to trade will continue to decline among most developed and emerging economies.
4	The world's largest companies will increasingly establish headquarters in emerging foreign markets.
5	Global and more diversified markets will continue to provide new opportunities for entrepreneurs and smaller size businesses.
6	Scarcity and rising prices will increase pressure on the development and deployment of cleaner technologies.
7	Deepening income inequality will result in costly outcomes, most adversely affecting women, minorities, immigrants, the disabled, and the formerly incarcerated, and thus require the diversion of public resources to address unemployment, poverty, and social unrest.
8	The retirement of Boomers will place an even greater need for middle- and high-skilled workers.
9	The U.S workforce will become smaller and more ethnically diversified as public education systems struggle to meet student and workforce needs.
	Compiled by: Assembly Committee on Jobs, Economic Development, and the Economy

The nature of work is also substantially changing such that new skill sets are necessary to be successful. Even entry-level workers will be expected to have important soft skills, such as the ability to work in teams, actively listen, communicate effectively with co-workers and bosses, and be able to negotiate workplace needs in a positive manner. Unlike hard skills, which are about a person's ability to perform a certain task or activity, soft skills provide the tools necessary to learn and advance in the state's continually evolving workplace environment.

The modern economy has also given rise to a growing need for smaller businesses because of their ability to provide innovative technologies and help other businesses access global markets. While vital economic players, small businesses and entrepreneurs also face unique challenges in competing in an increasingly global and interconnected marketplace. Programs and regulations which may have been designed to serve large companies may need to be retooled to better serve the nearly 90% of businesses that have less than 20 employees. These small and adaptable businesses will have an inherent advantage in the post-recession economy, provided they are able to obtain the skillsets necessary to run a successful business and have access to appropriately trained workers.

Changes in the workplace are also impacted by the competitiveness of the regional economies in which they and their customers are located. The economic foundation of many of California's strong regional economies are innovation-based industry clusters which have the ability to support high-paying jobs, lucrative career ladders, and longer-term job stability. Research shows that there are specific characteristics that support the rise and success of these industry clusters, including proximity to high quality universities, research labs, businesses within the same industry, and attracting a critical mass of skilled workers is also an important component.

Though the economic composition of regions may differ in California, each region has strengths and weaknesses, with several areas of the state having multiple dominant industry sectors. The identification and cultivation of key industry sectors will factor heavily on the future economic success of California's regional economies.

2) **Growing Income Inequality**: While California's dominance in innovation-based industries is unquestionable, the divide between the middle and lower income households and the top income earners is accelerating. Even as California's unemployment is at historic lows, unemployment within certain geographic regions and population groups remains significantly higher, as does the number of people in the state who are not participating within the core economy (*over 11 million people in February 2019*).

Poverty rates in California are another indicator of this growing income disparity. According to the U.S. Census Bureau, 14.3% of individuals in California live on income at or below the federal poverty rate, as compared to 13.4% for the nation as a whole. Using the federal Supplemental Poverty Measure, which accounts for geographic differences, transfer payments, and out-of-pocket expenses, 19% of California residents live in poverty, as compared to 14.1% nationally averaged from 2015 to 2017. Significant contributing factors to these poverty rates are education and basic skill deficits experienced by many Californians from rural and inner city areas and other historically underserved population groups, as well as those who are more recently encountering employment challenges, including returning veterans.

The combination of high poverty and lower levels of basic education has significant impacts not only on these people's lives, but the state as a whole. The chart below displays unemployment figures, as reported by the Employment Development Department for February 2019 by selected counties and population groups. While the state's unemployment rate for February 2017 was 5.2% (not seasonally adjusted), unemployment rates within inland areas of the state and among Black, Hispanic, and young demographic groups are significantly higher.

Selected Data on Unemployment						
	Unemployment Rate February 2019 (not seasonally adjusted)	**Unemployment Rate February 2018 (not seasonally adjusted)**			**Unemployment Rate February 2019 (12-month moving average)**	**Unemployment Rate February 2018 (12-month moving average)**
California	4.4%	4.6%		California	4.2%	4.7 %
Colusa County	20.5%	19.2%		Blacks	6.5%	6.8 %
Imperial County	17.4%	16.5%		Hispanics	5.1%	5.5%
Los Angeles County	4.2%	4.7%		Whites	4.1%	4.7 %
Riverside County	4.5%	4.6%		16 to 19 year olds	14.9%	17.3%
Sacramento County	4.1%	4.1%		20 to 24 year olds	7.4%	7.4 %

San Bernardino County	4.2%	4.3%		25 to 34 year olds	4.4%	5.0%
San Luis Obispo County	3.2%	3.2%		**The Employment Development Department reports a February 2019 labor participation rate (LPR) of 62.2%, representing 11.7 million people in California who were not participating in the workforce. The LPR for veterans is 44.9% vs. a nonveterans LPR of 66.0%.		
San Mateo County	2.3%	2.4%				
Tulare County	11.3%	11.4%				
Source: www.edd.ca.gov						

The data shows income disparities are increasing, which is impacting a range of economic and societal issues. California is not unique in experiencing a rise in income inequality. National data shows that while the top 1% of income households were significantly impacted by the recession, by 2017, annual revenues had risen to the highest levels ever. Between 1979 and 2017, the income for the top 1% of income households cumulatively rose by 157%.

In February 2019, California's seasonally adjusted unemployment rate was 4.2%. For comparison purposes, the *Selected Data on Unemployment* chart uses not seasonally adjusted rates for county data and a 12-month moving average for demographic data. While the state's not seasonally adjusted unemployment rate for February 2019 was 4.4%, some areas of the state had lower rates and others had considerably higher. San Mateo County recorded the lowest at 2.3%, while Colusa County experienced the highest unemployment rate at 20.5% and Imperial County the second highest at 17.4%.

Under the provisions of the federal Workforce Innovation and Opportunity Act, an area of substantial unemployment is considered any contiguous area within a state with an unemployment rate above 6.5%. California had 23 counties which experienced unemployment rates at or above 6.5% in February 2019. There were four counties, all in the Bay Area, with unemployment rates below 3%.

Looking more specifically at different population groups, the data also shows the disparities between the statewide rate of 4.2% and the rates of key subgroups, including unemployment among Blacks and Hispanics being 6.5% and 5.1% respectively. For the youngest members of the workforce, obtaining quality jobs remains a significant issue, with unemployment among 16 to 19 year olds and 20 to 24 year olds being well above the state average, ranging from 14.9% to 7.4% respectively. According to the February 2019 figures, 11.7 million people in California are not participating in the labor force, an increase of 29,000 individuals during a 12-month period.

3) **Creating On-Ramps to Success**: The federal Workforce Innovation and Opportunity Act of 2014 represents the most significant shift in federal workforce policy in several decades. Among other requirements, the act mandates that the state develop a plan for making workforce investments, set goals, and report on their progress. Future federal funding will be dependent on the state meeting established milestones leading to these goals.

   California's Unified Strategic Workforce Development Plan (State Plan) outlines a comprehensive four-year strategy for investing federal workforce training and employment service dollars in a manner that aligns and coordinates six core Workforce Innovation and Opportunity Act funded programs. The state goal is to produce one million "middle-skill" industry valued and recognized postsecondary credentials between 2017 and 2027. In meeting this goal, the State Plan anticipates doubling the number of people enrolled in apprenticeship programs.

While this is certainly a laudable goal to guide the state's workforce investment system, achieving those goals will be challenging. Key among those challenges is the significant number of workers who are not currently ready to take on middle-skill training. In 2012, there were 1.9 million unfilled middle skill jobs. This number is expected to grow as one-third of middle skill workers retire over the next ten years.

AB 1726 establishes a CalWOTC program, administered through EDD, to highlight and expand California businesses' participation in the F-WOTC program. The program's targeted populations include, but are not limited to, veterans, unskilled and low-skilled workers, the long-term unemployed, individuals with developmental and other disabilities, and formerly incarcerated individuals.

CalWOTC is designed to leverage the experience of EDD in administering the F-WOTC program in order to support individuals who have faced systemic barriers to employment to achieve upward mobility and economic security. The author believes that the CalWOTC will create a career on-ramp for groups that have been historically disconnected from traditional workforce development and training programs.

4) **The Replacement Business Incentive Package**: In 2013, after several years of intense debate, the California Enterprise Zone Program was eliminated and replaced with a $780 million Governor's Economic Development Initiative (GEDI), which is comprised of the Manufacturing and Research and Development Sales and Use Tax Exemption, New Employment Tax Credit, and the California Competes Tax Credit [*AB 93 (Budget), Chapter 69, Statutes of 2013 and SB 90 (Galgiani), Chapter 70, Statutes of 2013*].

The intent of GEDI was to attract and retain high-value employers while at the same time ensuring accountability for the state's job creation efforts and the effective use of taxpayer dollars.

Initial Executive Branch Estimate:		$485 million Manufacturing Exemption
		$150 million New Employment Tax Credit
	+	$200 million California Competes
		$835 million

The New Employment Credit has performed less than expected. Below is information on utilization of these incentives.

- ***Manufacturing and Research and Development Sales and Use Tax Exemption***: $54.3 million in 2014 (partial year); $154.7 million in 2015; and $164.5 in 2016.
- ***New Employment Credit***: $340,822 in 2014; $693,323 in 2015; $1.8 million in 2016; and $2.4 million in 2017.
- ***California Competes Tax Credit***: $0 in 2014; $13.1 million in 2015; $23.7 million in 2016; and $23.8 million in 2017.

In 2017-18 all three GEDI incentives were extended, including the severally underutilized New Employment Credit.

5) ***Issues with the GEDI New Employment Credit***: As noted in the prior Comment, the Legislature and Governor agreed to shut down the Enterprise Zone Program and establish replacement incentives which were anticipated to have a utilization rate amounting to $835 million per year. Unfortunately for California businesses and economic developers who relied on Enterprise Zone tax incentives to attract and retain businesses, the new incentive package fell short of utilization promises – none more than the GEDI New Employment Credit. In fact, the design of the New Hire Credit was so unworkable, many local economic developers do not recommend the credit to businesses.

Conceptually, the New Employment Tax Credit appears to be straight forward. A tax credit is available to a qualified taxpayer that hires a qualified full-time employee with barriers to employment within a former enterprise zone or other area that suffers from high levels of poverty and unemployment. The value of the credit is based on qualified wages paid to the qualified employee on or after January 1, 2014.

From this point, the special conditions and requirements begin to add-up. Each requirement addresses a different issue and many are based in sound policy, but in the aggregate, these requirements result in a complex credit of limited applicability. The following is an explanation of how the New Employment Tax Credit works, which highlights its challenges as an effective economic development tool and business incentive. The summary was prepared by the Senate Appropriations staff for its analysis of AB 916 from 2017-18, which proposed a substantially similar CalWOTC.

> "To claim the credit taxpayers must (1) pay qualified wages attributable to work performed by the qualified full-time employee in a designated geographic area, (2) receive a tentative credit reservation from FTB for that qualified full-time employee, and (3) certify each qualified employee annually.
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> "Current law sets the credit amount at 35 percent of qualified wages, on wages between 150 percent and 350 percent of minimum wage, with the wage range increasing over time due to increases in the minimum wage rate. However, taxpayers must have a net increase in its total number of full-time employees working in California when compared to its base year based on annual full-time equivalents to claim the credit.
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> "Additionally, to claim the credit, a qualified taxpayer must be: (1) engaged in a trade or business within a designated geographic area, (2) not engaged in any excluded businesses, including temporary help services, retail trades, those primarily in food services, alcoholic beverage places, theater companies, dinner theaters, casinos, and casino hotels unless the business is considered a small business, and (3) not engaged in a sexually-oriented business.
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> "When the Legislature enacted the credit, revenue estimates projected taxpayers would claim $22 million in NECs in 2014, and $69 million in 2015. However, final valid claims were two percent or less of initial estimates. Over these first two tax years the credit was available, FTB disallowed 83 percent of taxpayers who sought the credit, because of invalid claims. The Legislative Analyst's Office has concluded that the NEC has been challenging or unappealing for businesses to use, and cites that the credits' high wage threshold, small credit amount, complexity, uncertainty, and interaction with other credits contribute to low participation. The Governor proposed a California Hiring Credit to replace the NEC in his proposed 2018-19 Budget; however, the Legislature extended the NEC without substantive changes."

6) **Proposed Amendments**: Below is a list of amendments the committee members may wish to review when considering the bill.

   a) Delete a legislative finding and declaration that is not related to the bill.

   b) Expand the purpose of the tax credit to include job retention.

   c) Clarify that EDD is using the existing federal certification standards and process.

   d) Make other technical and conforming changes.

7) **Related Legislation**: Below is a list of bills from the current and prior sessions.

   a) ***AB 80 (Campos) Interagency Task Force on the Status of Boys and Men of Color***: This bill would have established a 20-member Interagency Task Force on the Status of Boys and Men of Color. Issues to be addressed by the Task Force would have included, but not been limited to, employment and wealth creation, health and safety, education, and juvenile justice. Status: Vetoed by the Governor, 2015. The veto message reads, "*How state policy can be tailored to promote the well-being of boys and men of color is profoundly important. These issues, however, are best addressed through concrete actions, not another non-binding commission. The Legislature and the Administration are working on the critical issues raised by this bill, such as the Local Control Funding Formula, healthcare expansion and criminal justice reform. Much more can be done, and I am committed to advancing this work.*"

   b) ***AB 93 (Assembly Committee on Budget) California Competes Tax Credit and State Sales and Use Tax Exemption***: This bill institutes three new tax programs: a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; a California Competes tax credit for attracting and retaining major employers; and a New Employment Credit based on wages paid to full time employees located in certain geographic regions who face barriers to employment. The new tax credits may be applied against a taxpayer's tax liability under the Personal Income Tax and Corporation Tax. Additionally, the bill results in the phasing-out and ending of certain tax provisions related to Enterprise Zones and similar tax incentive areas, and ending the current Small Business New Jobs Credit tax incentive program. The bill also provides for allocating the California Competes tax credit through the Governor's Office of Business and Economic Development to assist in retaining existing and attracting new business activity in the state. Status: Signed by the Governor, Chapter 69, Statutes of 2013.

   c) ***AB 106 (Assembly Committee on Budget) California Competes: Technical Changes 2 of 3***: This bill makes technical clarification to the Enterprise Zone Program that is set to expire on December 31, 2013, according to SB 90 and AB 93. Status: Signed by the Governor, Chapter 355, Statutes of 2013.

   d) ***AB 916 (Quirk-Silva and Arambula) California Work Opportunity Tax Credit***: This bill would have established the California Work Opportunity Tax Credit (CalWOTC), which would have authorized a credit under the personal income tax and the corporate tax of up to 40% of a qualified worker's wages, not to exceed $2,400 per employee. The Assembly Committee on Jobs, Economic Development, and the Economy was the sponsor of this bill. Status: Died in the Senate Committee on Appropriations, 2018.

   e) ***AB 1111 (E. Garcia, Arambula, Baker, Eggman, C. Garcia, Maienschein, Quirk-Silva, Reyes, Santiago, Steinorth) Removing Barriers to Employment Act: Breaking Barriers to Employment Initiative***: This bill 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 Assembly Committee on Jobs, Economic Development, and the Economy is the sponsor of this bill. Status: Signed by the Governor, Chapter 824, Statutes of 2017.

f) ***AB 2061 (Waldron) Supervised Population Workforce Training Grant Program***: This bill makes program enhancements to the Supervised Population Workforce Training Grant Program, including the addition of program priorities for applications that document employer participation, as specified. Status: Signed by the Governor, Chapter 100, Statutes of 2016.

g) ***SB 90 (Galgiani and Canella) Update to AB 93 as Chaptered on July 11, 2013***: This bill, for purposes of the NEC, modifies the definition of qualified employee, excludes sexually oriented businesses from the definition of qualified taxpayer and small business, and modifies the defined geographical area that the hiring credit may be generated in. Status: Signed by the Governor, Chapter 70, Statutes of 2013.

8) **Double Referral**: The Assembly Committee on Rules has referred this measure to the Assembly Committee on Jobs, Economic Development, and the Economy and to the Assembly Committee on Revenue and Taxation (R&T). Should this measure pass the committee, it will be referred to R&T for further policy consideration.

REGISTERED SUPPORT / OPPOSITION:

Support

California Asian Pacific Chamber of Commerce
California Association for Micro Enterprise Opportunity
California Hispanic Chambers of Commerce
Coalition for Small and Disabled Veteran Businesses
National Employment Opportunity Network
National Federation of Independent Business
Small Business California
Small Business Majority

Opposition

None on File

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