

Date of Hearing: April 19, 2016

ASSEMBLY COMMITTEE ON JOBS, ECONOMIC DEVELOPMENT, AND THE ECONOMY

Eduardo Garcia, Chair

AB 2061 (Waldron) – As Introduced February 17, 2016

Committee	Votes	Ayes	Noes
Public Safety	7-0	Jones-Sawyer, Melendez, Lackey, Lopez, Low, Quirk, Santiago	

SUBJECT: Supervised Population Workforce Training Grant Program

SUMMARY: Makes program enhancements to the Supervised Population Workforce Training Grant (SPWTG) Program, including the addition of program priorities for applications that document employer participation, as specified. Specifically, **this bill:**

- 1) Establishes an additional program priority for applications that include one or more employers who have demonstrated interest in employing individuals in the supervised population, including “earn and learn” opportunities.
- 2) Defines "earn and learn" strategies to have the same meaning as in the state Unemployment Insurance Code and the federal Workforce Innovation and Opportunity Act, which is described under Existing Law in the analysis.
- 3) Expanded the areas of the final program assessment to include whether the SPWTG Program provided training opportunities in areas related to work skills learned while incarcerated, including, but not limited to, while working with the Prison Industry Authority.
- 4) Makes other technical corrections, including updating the name of the state and local workforce boards to reflect 2015 legislative changes.

EXISTING LAW:

- 1) Establishes the California Workforce Development Board (CWD), comprised of members appointed by the Governor and the appropriate presiding officer(s) of each house of the Legislature, and specifies that the executive director of the CWD report to the Secretary of the California Labor and Workforce Development Agency.
- 2) Assigns the CWD the responsibility for assisting the state in meeting the requirements of the federal Workforce Innovation and Opportunity Act of 2014 (WIOA), as well as assisting the Governor in the development, oversight, and continuous improvement of California’s workforce investment system.
- 3) Creates the SPWTG Program, administered by the CWD, to award grant funding for vocational training and apprenticeship opportunities for offenders under county jurisdiction who are on probation, mandatory community supervision, or post-release community supervision.
- 4) Requires CWD to administer the SPWTG Program through a public process, as specified, with preference for counties that: (a) have a demonstrated collaborative working relationship with local

workforce investment boards; (b) have an existing workforce training program for the supervised population; or (c) offer a funding match.

- 5) Requires SPWTG recipients to report to the CWD regarding their use of the funds and workforce training program outcomes upon completion of the grant period and requires CWD to assess and report on the outcomes of the program, as specified, to the Legislature by January 1, 2018.
- 6) Defines “earn and learn” to include, but not be limited to, a program that does either of the following:
 - a) Combines applied learning in a workplace setting with compensation allowing workers or students to gain work experience and secure a wage as they develop skills and competencies directly relevant to the occupation or career for which they are preparing; or
 - b) Brings together classroom instruction with on-the-job training to combine both formal instruction and actual paid work experience.
- 7) Defines “earn and learn” programs to include, but not be limited to, all of the following:
 - a) Apprenticeships;
 - b) Pre-apprenticeships;
 - c) Incumbent worker training;
 - d) Transitional and subsidized employment, particularly for individuals with barriers to employment;
 - e) Paid internships and externships; and
 - f) Project-based compensated learning.
- 8) Creates in the State Treasury the Recidivism Reduction Fund for moneys to be available, upon appropriation by the Legislature, for activities designed to reduce the state’s prison population, including, but not limited to, reducing recidivism. Funds in the Recidivism Reduction Fund are available to be transferred to the State Community Corrections Performance Incentives Fund.

FISCAL EFFECT: Unknown

POLICY ISSUE FRAME

In recent decades, the number of Americans who have had contact with the criminal justice system has increased exponentially. It is estimated one in three adults in the U.S. has a criminal history record. On any given day, about 2.3 million people are incarcerated in the U.S. and, each year, 700,000 people are released from prison and almost 13 million people are admitted to and released from local jails.

It is important for individuals that were previously incarcerated and employers to work together to increase job skills and support local economic growth. Without assistance, it is difficult for California's supervised population to remediate education deficiencies and gain the skills necessary to obtain gainful employment.

In 2013, the SPWTG Program was established to provide grant funds to innovative and targeted workforce training programs for the formerly incarcerated, supervised population, *AB 2060 (V. Manuel Pérez) Chapter 383, Statutes of 2013*. This bill expands on that program by encouraging a closer alignment between the trainers and the prospective businesses who will ultimately hire the individuals.

The analysis includes background on the SPWTG Program, California's prison system, and the challenges formerly incarcerated individuals face in obtaining employment. Amendments are discussed in comment #6.

COMMENTS:

- 1) **Solicitation for Proposals:** The CWD and the Employment Development Department issued its second Solicitation for Proposal (SFP) in March 2016 for the SPWTG Program. The \$4.3 million SFP called for applications that expand existing, mature collaborative relationships between county-based community partnerships and local workforce development boards. County-based community partnerships include county Probation Development, Community Corrections Partnerships, including probation, courts, mental health services, and community colleges.

Each application is required to demonstrate innovative strategies that accelerate educational attainment and re-employment for the supervised population. Funding is being provided through the Recidivism Reduction Fund. California's supervised population includes all persons who are on probation, mandatory supervision, or post release community supervision, or are under the jurisdiction of a county.

First round funding included \$1 million in awards to five projects. In this second round, the CWD is estimating seven awards of up to \$400,000 each, with projects having a program delivery period of up to 18-months (June 30, 2016 through December 31, 2017). The CWD has identified the following over-arching program goals for the SPWTG:

- Provide training in priority occupations to supervised population participants;
- Improve labor market and skills outcomes for the supervised population through the development of strategies that fill gaps, accelerate processes, or customize services to ensure greater access to workforce services and employment opportunities;
- Create new modes for service delivery and funding alignment that can be replicated across the state and tailored to regional needs; and
- Leverage the state's investment with commitments from industry, labor, public, and community-based partners.

Outcomes from these two SFP rounds will be used by CWD to help identify key innovations that can be used as prototypes which could be "scaled and replicated across the state, infusing new ideas into the 'bloodstream' of workforce development and county collaborations focused on recidivism reduction."

- 2) **Court Actions related to Prison Overcrowding:** For decades, California's prison system has faced significant challenges in meeting both its basic security and rehabilitation responsibilities. Designed to house an inmate population of 80,000, the state prison population has remained well above that mark. In 2006, the California prison population hit its peak with over 170,000 men and women being housed within the state prison system.

The resulting conditions were the subject of two federal class actions. In the first case, *Coleman v. Brown* (filed 1990), the District Court found that prisoners with serious mental illness did not receive minimal, adequate care. Even after more than a decade of mandated remediation, the Special Master assigned to the case reported that the system's mental health care continued to seriously and negatively

be impacted by overcrowding. In the second case, *Plata v. Brown* (filed 2001), the state conceded deficiencies in prison medical care violated prisoners' Eighth Amendment rights and stipulated to remedial injunction. When the state failed to comply with the injunction, the plaintiffs in both cases moved to convene a federal three-judge court panel, as empowered under the federal Prison Litigation Reform Act of 1995, in order to command the state to reduce the prison population.

The cases were ultimately consolidated and, in August 2009, the three-judge panel found that prison overcrowding was the primary reason that the state was unable to provide inmates with constitutionally adequate health care. The court ordered the state reduce its inmate population to no more than 137.5% of the design capacity in the prisons operated by the CDCR by June 2013 [*Plata/Coleman v. Brown*].

In 2011, the U.S. Supreme Court upheld the three-judge panel's order for the state to reduce its prison population to 137.5% of the prison design capacity or approximately 46,000 inmates at the time of the decision. Should the state fail to meet its final reduction target or any of the interim milestones, a court-ordered Compliance Officer was given the authority to order the early release of inmates.

Over the ensuing years, the deadlines for reaching the mandated prison population reduction shifted, generally at the request of the state. In early 2015, California's inmate population reached the target of 113,700 (based on current capacity). Given the state's difficulty in addressing these issues, it is worth noting that the state did reach its final reduction target nearly one-year ahead of schedule.

- 3) **Programs to Address Prison Recidivism:** The state has taken a variety of actions in attempting to meet its prison population reduction target including infill bed expansion, contract beds, prison re-entry hubs, county probation incentive grants, and workforce development programs focused on the formerly incarcerated individuals. Most significantly were the 2009 parole reforms and the 2011 realignment of certain criminal justice responsibilities from the state to the counties.

In 2013, the Recidivism Reduction Fund was established for the purpose of funding new programs and services designed to reduce recidivism of inmates and parolees. Since its inception, various programs have been funded through the Recidivism Reduction Fund, including \$5 million for performance-based workforce training contracts for formerly incarcerated individuals, *AB 1837(Atkins), Chapter 838, Statutes of 2014*. The SPWTG Program received money from the Recidivism Reduction Fund in both 2014-15 and 2015-16.

Other state actions included: \$125 million being allocated to the Community Corrections Performance Incentive Grant in 2015-16. Under this program, funding was provided to county probation departments based on the ratio of felony probation returns to prison and jail. Expenditures from the Recidivism Reduction Fund in 2015-16 also included \$12.6 million to community-based facilities that emphasize co-occurring mental health and substance use disorders, and \$15.6 million to non-reentry hub institutions that treat substance use.

For the 2016-17 Budget, the Governor proposes \$15.2 million be appropriated in order to continue the substance use disorder treatment programs to the remaining 11 institutions without a program and \$32.1 million to the Community Reentry Program, which links offenders with a range of community-based, rehabilitation services related to mental health, employment, education, housing, and family reunification, among other services. The Governor also proposes to continue the operation of the 13 prison-based re-entry hubs, where inmates with less than four years remaining before release can access services to help smooth their transition to life outside of prison.

In addition to realignment and state programs implemented to address prison recidivism rates, there were two other significant factors in meeting the court ordered mandate to reduce the prison inmate population, including the impact of Proposition 36, which passed in November 2012 and revised the state's three strikes laws, and Proposition 47, which passed in November 2014 and required misdemeanor sentencing instead of felony for specified property and drug charges.

- 4) **State Strategy on Employment of Former Offenders:** The federal Workforce Investment Act required the Governor, through the CWD, to submit to the U.S. Department of Labor a State Strategic Workforce Development Plan for programming in 2013 through 2017. This plan outlines a five-year strategy for the investment of federal workforce training and employment services funds. With respect to services to former offenders, the plan includes the following:

"The State Board has leveraged the [California Department of Corrections and Rehabilitation (CDCR)] expertise to help Local Boards obtain additional funding from 'realignment' funds allocated to counties. A workshop was conducted [in 2014] by the California Workforce Association, which included CDCR and Local Board staff sharing knowledge about realignment and funding so that Local Boards might be in a better position to engage their counties in seeking funding to serve this new 'realigned' population.

The State Board will continue to work closely with CDCR and LWIBs to encourage and develop innovative services for the ex-offender population. Policy Link and the National Employment Law Project (NELP), the State Board is helping convene LWIBs, to ensure formerly incarcerated individuals have access to quality employment services. The State Board also worked with the Employment Development Department and NELP to develop a directive to ensure that LWIBs comply with nondiscrimination obligations when serving individuals with criminal records." http://edd.ca.gov/Jobs_and_Training/pubs/wsd12-9.pdf

- 5) **Workforce Innovation Opportunity Act and California Workforce Board:** Enacted in 2014, WIOA provides states with federal funding for job training and employment investment activities and programs, including work incentive and employment training outreach programs. Distribution of the funds is based on a set formula which includes specified economic and demographic data and flows to the state through three primary programs: Adult, Youth, and Dislocated Worker.

California's workforce development funding from the U.S. Department of Labor has declined over the years from a high of \$630 million in 2000-01 to \$397 million in 2016-17. Federal law dictates that 85% of Adult and Youth formula funds, and 60% of Dislocated Worker formula funds, are distributed to local workforce development boards. Funding for the state's discretionary activities is derived from the 15% discretionary funds.

California received approximately \$401 million for program year 2015-16, with \$321.5 million being allocated to local workforce development boards to provide services for adults, laid-off workers, and youth, and \$80.5 million remaining at the state-level for program oversight and discretionary programs. As noted earlier, \$4.3 million was directed toward the SPWTG Program from the Recidivism Reduction Fund.

California's WIOA dollars are overseen by the 51-member CWD, of which 51% of the members represent the private sector, as required by federal law. The CWD has a staff of 18 authorized positions and is currently led by Executive Director Tim Rainey. In 2008, a Green Collar Jobs

Council was established to address the workforce development needs of the emerging clean and green economy.

Among its primary duties, the CWD provides guidance to local workforce boards and is responsible for the development of a unified, strategic plan to coordinate various education, training, and employment programs that result in an integrated workforce development system that supports economic development. The plan is required to be updated at least every 2 years in order to address the state's changing economic, demographic, and workplace needs. The CWD has submitted its first plan under WIOA to the U.S. Labor Department and is expected to receive final word on its acceptance in July 2016.

There are 48 local workforce development boards that plan for and oversee the workforce system at the local and regional levels. Local workforce boards are comprised of a range of workforce stakeholders, a majority of which are required to be representatives from business. Each local workforce development board has one or more One-Stop Centers, called American Career Centers under WIOA, which provide access to career information, counseling, and funding for education, training, and supportive services.

- 6) **Amendments:** Staff understands the author will request the Committee adopt amendments that add “intent to hire” letters as an example of how a business could demonstrate his or her participation in the grant proposal.
- 7) **Related Legislation:** Legislation related to this measure includes the following:
 - 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 include, but not be limited to, employment and wealth creation, health and safety, education, and juvenile justice. Status: Vetoed by the Governor, 2015. Governor's Veto Message: *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 1019 (Ammiano) Prison Workforce Training:*** This bill requires goals for career technical education to be set by the Superintendent of Correctional Education, and establishes factors that are required to be considered when establishing a career technical education program, as specified. Status: Signed by the Governor, Chapter 789, Statutes of 2013.
 - c) ***AB 1837 (Atkins) Social Innovation Financing to Address Recidivism:*** This bill established the Social Innovation Financing Program, administered by the Board of State and Community Corrections, which provided grants to three counties for the purpose of utilizing pay-for-success contracts to reduce recidivism. Status: Signed by the Governor, Chapter 802, Statutes of 2014.
 - d) ***AB 1093 (E. Garcia) Supervised Population Workforce Training Grant Program:*** This bill expedites the allocation of funding under the existing Supervised Population Workforce Training Grant Program, which is administered through the California Workforce Development Board.

Status: Signed by the Governor, Chapter 220, Statutes of 2015. In addition, \$1.5 million was authorized in 2015-16 Budget for additional funding rounds.

- e) **AB 2060 (V. Manuel Pérez) Supervised Population Workforce Training Grant Program:** This bill establishes the Supervised Population Workforce Training Grant Program. The program is comprised of two distinct funding streams: one stream for post-secondary training that may lead to certifications and placement on a middle-skill career ladder and a second stream for individuals that are starting with low educational attainment and need help with basic academic skills. Status: Signed by the Governor, Chapter 383, Statutes of 2014.

- f) **AB 2288 (Burke) Apprenticeship in the Construction Trades:** This bill requires the CCWD and each local board to ensure that pre-apprenticeship training in the construction trades follows the Multi-Craft Core Curriculum, and that programs funded by the federal Workforce Innovation and Opportunity Act of 2014 and directed to apprentice-able occupations in the construction trades include plans to increase the percentage of women in those trades. Status: Pending in the Assembly Committee on Appropriations.

- g) **AB 2526 (Gonzalez) Community Corrections Program:** This bill would require a rank-and-file deputy sheriff or a rank-and-file police officer and a rank-and-file probation officer or a deputy probation officer, to be appointed by a local labor organization, to the membership of a Community Corrections Partnership. The bill would require the vote of the rank-and-file deputy sheriff or rank-and-file police officer and a rank-and-file probation officer or deputy probation officer on the local plan. Status: Held in the Senate Committee on Public Safety, 2014.

- h) **SB 105 (Steinberg) Recidivism Reduction Fund:** This bill, among other things, created the Recidivism Reduction Fund in the State Treasury to be available for appropriation by the Legislature for activities aimed at reducing the state’s prison population, including, but not limited to, reducing recidivism. Status: Signed by the Governor, Chapter 310, Statutes of 2013.

- 8) **Double Referral:** This measure was double referred to the Assembly Committee on Public Safety (PS) and Assembly Committee on Jobs, Economic Development, and the Economy. AB 2357 passed PS on a vote of 7 to 0.

REGISTERED SUPPORT / OPPOSITION:

Support

California Catholic Conference
 California Correctional Peace Officers Association
 Legal Services for Prisoners with Children

Opposition

None Received

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