

Joint Oversight Hearing held by the
Assembly Committee on
Jobs, Economic Development, and the Economy
and the Assembly Committee on Veterans Affairs



**Keeping the Promise: Examination of Workforce
Training and Job Development Services for
Veterans**

March 2, 2010, State Capitol, Sacramento, California

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Keeping the Promise: Examination of Workforce Training and Job Development Services for Veterans

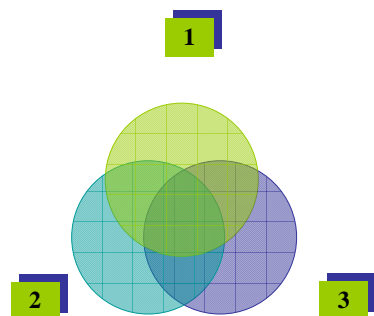
California has the largest veteran population in the nation, comprised of an estimated 2 million veterans. Each month, thousands of military personnel are released from active service, and far too many face tremendous challenges transitioning back into civilian life. They often do not have a job waiting for them and their family may have even relocated during their term of service. These challenges are compounded by a system of services intended to help them that is generally recognized as being difficult and complex to navigate.

On Tuesday, March 2, 2010, the Assembly Committee on Jobs, Economic Development and the Economy (JEDE) and the Assembly Committee on Veterans Affairs are holding an oversight hearing on California's veteran-related workforce training and job development programs. The purpose of this paper is to provide background and identify trends to assist Members and the public during the hearing. It also proposes possible recommendations for further actions.

California is the eighth largest economy in the world comprised of a variety of micro-economic regions, each supporting a broad array of businesses, workers and communities. During the course of the hearing, Members will hear testimony on the current profile of California veterans, as well as on emerging trends and current programs that are designed to best serve the special needs of California's veteran population and their families. Testimony will include presentations from veterans, government agencies, and nonprofit organizations committed to serving veterans.

Issues for Consideration

California veterans have access to a wide variety of resources, yet there is confusion and inefficiency in linking deserving veterans with the workforce development services they need and benefits they have earned. As illustrated by the diagram below, program optimization for both the veteran and the public occurs when the program successfully meets three separate sets of criteria:



1. The program effectively links and can be accessed through the broader veteran service network.
2. The program fits within local and regional economic and workforce development delivery models.
3. The program, in and of itself, is well designed (i.e., there is a clear mission, program structure, oversight process, and evaluation methodology).

Achieving this level of integration and coordination may require the state to comprehensively review each program's legal requirements, strategic plan, and ability to work effectively with other related

state, federal and local programs and services. This hearing and paper can serve as the beginning of such a review.

Organization of this paper

The paper is organized into four sections. The first section provides background on California's veteran population, the process used to transition from the military to civilian life and key issues related to their successful transition. In the second section, information is provided on the California economy including the regional job market within key and emerging industries. The third section describes the current network of federal and state economic and workforce development resources targeted toward serving veterans. The fourth, and final, section provides recommendations the Members may wish to consider when developing their list of follow-up actions. In addition to these sections, the paper includes a number of appendices that may be useful references during the Members' deliberations.

- Appendix A includes Fast Facts on the California Economy;
- Appendix B includes a summary of related legislation from 2007 through 2010;
- Appendix C includes a review of key research and reports on California veterans;
- Appendix D has a listing of federal, state and local economic and workforce development programs including web links;
- Appendix E has a map of California indicating unemployment rates for December 2009, the most current data available;
- Appendix F includes a map of the state's nine economic regions;
- Appendix G has information on how the veteran job preferences are applied;
- Appendix H includes information on Texas' reformed veteran workforce development model; and
- Glossary of terms commonly used in veteran programs, as well as economic and workforce issues.

Section I – Assessing the Needs of California Veterans

This section provides information on California veterans including their demographic makeup, challenges upon returning from active duty, and issues for consideration. While the focus of much of the public attention is on veterans returning from Iraq and Afghanistan, the lessons learned and improvements made to better serve this newest group of veterans will positively impact the ability of all California veterans to obtain quality jobs.

A Modern Profile of Veterans

The population of veterans in California is estimated at slightly more than 2 million, which is about 8.8% of the national veteran population of 23 million. California, Texas and Florida have the largest veteran populations in the nation. Approximately 39.9% of U.S. veterans are over the age of 65. For those veterans that make up the "greatest generation," their ranks are dwindling daily. As of September 30, 2009 there were 2,272,000 remaining World War II veterans, with a death rate of approximately 850 per day. **Chart 1** and **Chart 2** include more specific information on the U.S. and California veteran populations.

Chart 1 – Total Veteran Population	
Total Estimated National Veteran Population:	23,067,000
Total Estimated California Veteran Population:	2,026,000
California Veterans as a Percent of National Population:	8.8%
Source: USDVA VetPop 2007	

Women comprise 8% of the state's veteran population, as compared to 7.9% nationally. White males comprise a smaller percentage of the total veteran population. Veterans of Hispanic and Asian/Pacific Islander descent represent a larger percentage of California's veteran population relative to the national

Chart 2 – Distribution California Veterans by Gender	
Estimated for CA Female Veteran Population:	162,080
Estimated for CA Male Veteran Population:	1,863,920
California Veterans as a Percent of National Population:	8.8%
Source: USDVA VetPop 2007	

veteran population, while blacks account for a smaller percentage. **Chart 3** provides national and state breakdowns, on race and ethnicity of the veteran population.

The U.S. Department of Veterans Affairs (USDVA) expended \$6 billion in California in federal fiscal year 2005. Of that amount, \$2.66 billion was in disability payments (compensation and benefits) to veterans.

Texas veterans, however, collected 44% more disability benefits than California on a per capita basis. California collected \$190 million less than Texas per year while having 35% more veterans. *Appendix*

Chart 3 - Comparison of National and State Veteran Population by Race and Ethnicity		
	United States (in percentages)	California (in percentages)
White	79.3	68
Black	11.3	9
Hispanic	5.8	13
Asian/Pacific Islander	1.5	5.9
American Indian/Alaska Natives	0.8	0.8
Other	1.3	2.3
Source: California Department of Veterans Affairs 2007		

H includes a profile Texas, which implemented significant changes in its veteran workforce and benefit out reach programs. Veteran compensation and benefit payments represent an important component to consumer cash flow in the state. Increasing disability benefit participation to the national average could generate an additional \$330 million in annual payments to California veterans. Appendix C

includes more information on research studies that have looked at means for improving services for benefits, including how to help veterans' better access disability payments.

Veterans of the Global War on Terror

Since September 2001, approximately 1.7 million veterans have served in the U.S. Armed Forces. In the Global War on Terror (GWOT), defined as the period of time after September 11, 2001, women accounted for 18% of veterans, a significantly higher percentage than the 4% that served prior to GWOT. About 17% of this era's veterans are black and 10% are Hispanic. Nearly two-thirds were under the age of 35 during their military service.

Currently, retention among military personnel is high. Based on March 2009 records, the military is successfully retaining soldiers with the Army achieving 152% of their re-enlistment goal. This higher than normal retention rates is based, in part, on the poor civilian job market where one-in-nine veterans are out of work. U.S. Department of Labor (DOL) records and comments by military officials confirm that high unemployment rates among veterans are encouraging some to remain in military service.

The 11.2% jobless rate for veterans who served in Iraq and Afghanistan rose four percentage points in the past year. Veterans between the ages of 18 and 24 had an unemployment rate of 14.1%, nearly double the rate of their counterparts ages 25 to 34 (7.3%), and almost three times the rate for 35 to 44 year old veterans (4.9%).

Women veterans fared worse than veterans as a whole. The unemployment rate among female veterans jumped to 11.2% in January from 6.6% a year earlier, compared to 9.4% from 7.5% for men. In the general population, the trend was much different. Over the same period, the unemployment rate for women went to 8.4% from 6.9%. For men, it rose to 10.8% from 8.5%.

Transitioning from Military to Civilian Life

While some members of the military have chosen to remain in service given the state's current economic challenges, others are returning to civilian life. These veterans face many challenges upon reentry. The civilian world has a different language and a different culture that a veteran must re-learn to navigate, in order to have a successful transition.

The military culture, as many veterans have lived and worked within, is a subculture of mainstream America. Veterans have lived and worked on military bases and installations, ships, submarines, and in tents; they ate meals ready to eat (MREs); and most have moved a lot (some move every year for 20 years). They have been deployed to various worldwide locations, often leaving behind spouses and children. They have shopped in PX/BXs and commissaries, which generally have discounted prices, and they most frequently encountered people they knew at the medical clinics, schools, places of worship and restaurants on bases. In some ways, the world becomes very small for service members.

Given the complexity of the subculture, it is not surprising that leaving the military is difficult for some service members. They are not just leaving a job, but a whole lifestyle complete with its own language. Understanding military acronyms, rank structures, service branches, jargon, and technical requirements is often equated to learning a foreign language. The different service branches even use different terminology (for example, a Captain in the Army is a junior officer, and a Captain in the Navy is a very senior officer).

Veterans are sometimes more comfortable using military jargon, terms, and acronyms than civilian terms, and, in some cases, may not readily know the civilian equivalent. Certain terms are easy to translate into “business speak.” For example, words such as “commanded” can be translated to “supervised” or “directed;” a “Lt. Colonel” can be written down as a “CEO” or “Executive Vice President;” and a “Battalion” can be referred to as “250 personnel”. Other experiences, however, are more difficult to translate.

In transitioning to civilian life, veterans must try to qualify and quantify all their military accomplishments into civilian terms. But with the help and guidance from a specially trained veteran service provider, years of military leadership experience can be written as: “Directed an organization with 250 personnel, supervised 12 department managers, executed an operational budget of \$3M, managed assets worth \$70M, and significantly reduced a logistical backlog by 87%.”

Four-Part Transition Program

Veterans transitioning from the military, as prescribed by federal law, have a four-part transition process available to them, as follows:

1. Pre-Separation Counseling – This is a mandatory process, administered through the federal Department of Defense (DOD), for all separating military personnel. Issues addressed during these sessions include the logistics of transition, such as moving household goods and getting a final physical or dental exam. Participants can also ask to take the Transition Assistance Program (TAP) Employment Workshop.
2. Transition Assistance Program Employment Workshop – This is a multiple-day workshop organized by the federal Department of Labor (DOL) under its Veteran’s Employment & Trainings Services program. The workshop is mandatory only for those separating or retiring from the Marine Corps. Military personnel can take the workshop or access TAP services as many times as desired during their final year before separating (or 24 months for retirees). Currently, about 60% of separating military personnel participate in the workshop.
3. Veterans’ Benefits Briefing – This is a four-hour briefing run by the U.S.DVA to familiarize military personnel with the veteran benefits for which they are eligible.
4. Disabled Veterans’ Transition Program – This is a two-hour briefing conducted by the USDVA for those with service connected disabilities.

Some of the members of the National Guard and Reserve, who demobilize back to their home state guard and reserve units may not have a standing TAP program, such as those found on military bases. Units demobilizing can often have time constraints, as well as mandatory aspects to their demobilization, which makes participating in a TAP program problematic. The availability of the TAP program may also vary based upon the state to which the National Guard or Reserve unit belongs. Some adjustments have been made to mitigate these limitations by having a number of states offering a mini-TAP program that is a half-day or one-day program.

DOL has even developed a hybrid version of the TAP curriculum just for National Guard and Reserve units. The program offers a core curriculum covering the local labor market, instructions on how to access DOL's One Stop Career Centers (One Stops), the risks of homelessness, the Uniformed Services Employment and Reemployment Rights Act, and small business opportunities.

Upon leaving the military, veterans receive a DD 214 (discharge). The DD 214 is a one-page document containing the veteran's name, social security number, character of discharge and list of awards. [Character of service refers to honorable or dishonorable discharge. If dishonorable (undesirable), or bad conduct, they usually are unable to qualify for benefits.] Veterans are given the original. The veteran will use certified copies of the DD 214 to access veteran services.

Limited Post-Separation Success

Once military personnel have officially separated from the military, the veteran no longer has access the TAP program. Issues arising during this later period of their transition are handled through a variety of federal, state and locally funded public and private programs. These programs and services include a network of 3,100 One-Stops, County Veteran Service Officers (CVSO), and numerous community-based organizations (CBOs).

While well intentioned, career services and programs have not been effective at employing veterans. Statistics specific to California are sparse, however, the national figures of over 15% unemployment paint a bleak veteran employment picture. This picture is particularly harsh when one considers that California is home to the largest population of veterans in the nation and that over 30,000 veterans attend TAP workshops in California annually. Facing the reality of the current employment prospects for veterans, the California Department of Veterans Affairs (CDVA) encourages all military personnel to immediately apply for unemployment insurance benefits immediately upon separation from active duty.

Additional information on the TAP program and other civilian-side veteran services are described in a later section of the paper, "Section III. California's Veteran Related Workforce Development Programs" and *Appendix D includes a more extended list of workforce development programs available to veterans.*

Women Veterans Entering the Workforce – A Special Challenge

As newly separated female veterans return home to their civilian lives and families, many believe they are not receiving adequate attention and support to address the unique challenges they face upon re-entry. Key issues impacting all working women -- including pay equity, career advancement, and access to benefits such as health care -- are magnified by challenges such as re-establishing family ties, injury, sexual trauma, homelessness and Posttraumatic Stress Disorder; PTSD. *Appendix C includes a summary of the recently released report by the California Research Bureau on the special needs of woman veterans, among other reports.*

Women, including veterans, can offer unique perspectives to growing businesses and emerging industries because of their significant control of U.S. purchases (80%) and current lack of representation with the highest levels of business (holding only 17% of seats on corporate boards). The growth in new sustainable products that are environmentally, socially and economically sound also offer new career opportunities for women, from those that can excel in physical labor, such as retrofitting residential properties, to those who can design greener jobs, such as Sustainability Officers (akin to Diversity Officers) in corporations, non-profits and government entities.

Women veterans come with an especially strong skill set for jobs related to sustainability, as well as those that require a demonstrated ability to provide leadership, make decisions, and follow through to completion. Women veterans are already accustomed to working within a male dominated workforce;

they have had to meet physical employment requirements; and have mastered many "soft" skills, such as leadership and critical decision making during life or death situations.

As reported by the Business and Professional Women's Foundation, agencies wanting to support women veterans as they move into the civilian workplace should know that while general, short-term, pre-separation interventions may increase the success of initial job search activities, such programs may not be sufficient in terms of frequency, outreach to women veterans or breadth of services in order to address all their possible reactions to separation including their long-term adjustment to the civilian workplace.¹ While 37% of those responding to the survey reported that their participation in the TAP workshop was very useful in their job search, additional resources were still necessary to help them through the full transition process.²

Key Issues on the Path Forward

Many eligible veterans that have navigated the transition from military to civilian life say they had no idea what their future would be outside of the military. Still others would say that their plans changed drastically upon exit. In order to have a successful transition process for California veterans, the stateside programs and services must reflect this reality.

Federal, state and local public and private service providers need to think holistically about the needs of transitioning veterans including how each program fits within the broader network of veteran benefits and the local job market. Veterans seeking workforce training and job development services often need a multitude of services. While some may simply need job hunting skills and a new resume, others may need mental health services. Some veterans may need housing services, while others require retraining. For a majority of veterans, they will need access to a combination of these services.

Public and private service providers must be encouraged, and where appropriate mandated, to help "connect the dots" for transitioning veterans. The public's ultimate goal should be that no veteran finds them self without resources and/or options for making positive changes in their life.

From the state's perspective, there is an opportunity to refine current programs and services so that they are accountable and meet prescribed measurable outcomes. The final section of the paper includes a number of specific recommendations on how to improve program delivery, increase accountability, improve veteran job readiness and enhance job placement opportunities for California veterans.

Section II – The California Workplace

Through their service to the American people, veterans have earned, and have access to, a number of specialized workforce and business development programs intended to help veterans be successful within the broader economy. Producing successful outcomes for veterans requires service providers to have a keen understanding of business and industry needs, trends, and required and preferred skill sets.

In this section, information is provided on the overall California economy and nine regional economies including dominant and emerging industries, highest wage jobs, and trends that may affect the success of veterans within the job market.

Overview of the California Economy

As California slowly emerges from the recession, double digit unemployment is expected in many areas of the state throughout 2010 and 2011. While the recession has significantly impacted a number of industries, some will likely come back, while others will be replaced or significantly changed as emerging and developed nations transition to a more technology networked and resource-constrained economy.

This subsection describes the California economy using the most current data available. Due to lags in the reporting of some economic data, the subsection draws a distinction between pre-2009 and post-2009.

The California Economy Prior to 2009

California is one of the largest and most diversified economies in the world with a state gross domestic product (GDP) of over \$1.8 trillion in 2008. For comparison, global GDP was \$53.3 trillion, with the U.S. (\$13.8 trillion) having the highest GDP of any individual nation, followed by Japan (\$4.3 trillion), Germany (\$3.3 trillion), China (\$3.2 trillion), the United Kingdom (\$2.7 trillion), France (\$2.5 trillion), Italy (\$2.1 trillion), Spain (\$1.4 trillion), Canada (\$1.3 trillion), and Brazil (\$1.3 trillion). Based on these figures from the International Monetary Fund, if California were an independent nation it would rank as the eighth largest economy in the world.

Historically, the state's significance in the global marketplace resulted from a variety of factors, including: its strategic west coast location that provides direct access to the growing markets in Asia; its economically diverse regional economies; its large, ethnically diverse population, representing both a ready workforce and significant consumer base; its access to a wide variety of venture and other private capital; its broad base of small- and medium-sized businesses; and its culture of innovation and entrepreneurship, particularly in the area of high technology.

As the largest state in the U.S., California is home to 12.1% of the nation's population and 11.6% of all jobs. Historically, economic growth in California has outpaced the growth rate of the nation as a whole. In 2007, as an example, California's GDP growth rate was 33.9% as compared to the U.S. at 30.4%. Among other economic distinctions, the state has historically led the nation in export-related jobs, small business development, and business start-ups.

Chart 4 provides detail on California's 10 largest private industry sectors based on the number of jobs. The chart also includes information on the growth of jobs within these sectors and annual wage rates in 2007, which is the most recent data available.

Chart 4 – Job Distribution (2007) and Growth by Industry Sector (2001-2007)				
	Industry Sector	% of All Jobs	Job Growth	Annual Average Wage Rate (2007)
1	Retail Trade	10.7	6.7	\$30,887
2	Manufacturing	9.2	-15.1	66,074
3	Health Care and Social Assistance	8.7	8.8	47,913
4	Accommodation and Food Services	8.3	9.0	18,311
5	Professional, Scientific and Technical Services	6.7	3.6	82,067
6	Administrative and Waste Services	6.3	9.0	34,014
7	Construction	5.7	18.1	51,621
8	Other Services	4.6	19.5	25,298
9	Wholesale Trade	4.6	8.6	62,287
10	Finance and Insurance	3.9	15.4	92,139
Source: California Economic Profile, Economic Strategy Panel, 2009				

As noted above, one of the drivers of the California economy is international trade. If California were a country, it would be the 11th largest exporter in the world. Exports from California accounted for more than 11.2% of total U.S. exports in goods, shipping to 222 foreign destinations in 2008.

California's land, air and sea ports of entry serve as key international commercial gateways for products entering the country. California exported \$144.8 billion in goods in 2008, ranking second to Texas with \$192.1 billion in export goods. Mexico is California's top trading partner, receiving \$20.5 billion in goods in 2008. The state's second and third largest trading partners are Canada and Japan with \$17.7 billion and \$13.1 billion, respectively. In 2008, 2.7 million people were employed by business related to trade, transportation and utilities.

Manufacturing is California's most export-intensive activity. Overall, manufacturing exports represent 9.4% of California's GDP, and computers and electronic products constitute 54.3% of the state's total manufacturing exports. More than one-fifth (21.9%) of all manufacturing workers in California directly depend on exports for their jobs.

From the most recently available data (2008) it is clear that retaining and creating manufacturing jobs remains an important component to the state's economy, responsible for employing 1.5 million workers and contributing \$179 billion to the state's \$1.8 trillion GDP. A robust manufacturing sector has many benefits including high wage jobs and its multiplier effect on other industries and businesses. As an example, the Milken Institute estimates that every job created in manufacturing supports 2.5 jobs in other sectors. In some industry sectors, such as the electronic computer manufacturing, the multiplier effect is 16 to one.

Manufacturing in California, however, even prior to the current economic recession faced many challenges maintaining global and domestic competitiveness, including providing a skilled workforce to support the changing needs of manufacturing and goods movement, and maintaining cost-effective productivity in the face of lower safety and wage standards in emerging foreign markets. **Chart 5** provides an illustration of the change in job growth between certain industry sectors and the relevance of those shifts to worker wage rates.

			Industries	Assets
4	Specialty Trade Contractors	Funds, Trusts, & Other Financial Vehicles	Apparel Manufacturing	Internet Service Providers, Web Search Portals, & Data Processing Services
5	Ambulatory Health Care Services	Pipeline Transportation	Crop Production	Petroleum & Coal Products
6	Hospitals	Support Activities for Mining	Computer & Electronic Product Manufacturing	Performing Arts, Spectator Sports
7	Merchant Wholesalers, Durable Goods	Beverage & Tobacco Product Manufacturing	Other Information Services	Computer & Electronic Product Manufacturing
8	Food & Beverage Stores	General Merchandise Stores	Beverage & Tobacco Product Manufacturing	Funds, Trusts, & Other Financial Vehicles
9	Computer & Electronic Product Manufacturing	Educational Services	Performing Arts, Spectator Sports	Utilities
10	Credit Intermediation & Related Activities	Motion Picture & Sound Recording Industries	Broadcasting (except Internet)	Pipeline Transportation
Source: California Economic Profile, Economic Strategy Panel, 2009				

The California Economy Post-2009 and in the Near Future

Since the subprime home mortgage crisis in 2007, California communities, in particular, have struggled. With the increasing rates of home foreclosure and tightening of the credit markets, many businesses have found their existing lines of credit evaporating. Significant drops in consumer spending have led to workforce reductions and business bankruptcies.

For much of 2009, the number of unemployed workers rose 40 to 60,000 per month, and the year ended with a seasonally adjusted unemployment rate of 12.4%, representing 2.25 million people who are officially identified as unemployed (excludes those that have stopped looking for work, among others). The number of persons unemployed 27 weeks or more increased by 443,000 (156.2%) since December of 2008. *Appendix E includes a map indicating each county's unemployment rate*

Bankruptcies among California small business have also risen significantly. Equifax is reported to have found that bankruptcies in California have risen by 81% during the past year, as compared to 44% nationally. An April 2009 study by Bornstein and Song found that more than 1.5 million California workers are now in immediate risk of losing their jobs, and more than 2.1 million California small business jobs may be lost in the second wave of foreclosures related to toxic mortgages. Hispanic small business owners and their employees are expected to be hardest hit due to the especially high percentage of owners with toxic mortgages (52.6%) relative to the national average (31.9%).

While officially California has emerged from the recession, unemployment is expected to remain high throughout 2010 and 2011. Forecasters, such as those at the University of the Pacific Business Forecasting Center (UOP), have also cautioned that recoveries from recessions that include financial crises are sluggish and that many regions of the state, including such areas as the Central Valley, will likely continue to experience recession-like conditions even as other regions begin to show positive signs of recovery. The following bullets reflect information drawn from UOP's January 2010 forecast and presentation before JEDE on February 2010:

- California unemployment will peak at 12.8% in winter 2010, remain above 12% for most of 2010, and remain in double digits through all of 2011.

- Nonfarm payrolls will decline by an additional 69,000 in winter 2009-10 to a trough that is one million jobs below the peak in summer 2007.
- Jobs will recover to their pre-recession peak in the first half of 2013, however, unemployment rates are likely to remain above 8% through much of 2014.
- Manufacturing, construction, and retail experienced the greatest decline over the past year, with each of these sectors shedding over 100,000 jobs across the state. An additional 11,000 manufacturing jobs are expected to be lost over the next 12 months.
- Job growth during the initial part of the recovery in 2010 will be concentrated in health care, temporary agencies, and professional services. Hiring in retail and manufacturing should increase in late 2010 and 2011.
- The biggest challenges facing the state's economy are housing, state and local government budgets, and the closure of NUMMI automobile assembly plant. The closure of NUMMI in March 2010 will represent the single largest mass layoff event of the recession for California, creating a permanent multi-billion hole in the economy of the East Bay and northern San Joaquin Valley with a total loss of 20 to 50,000 more jobs (direct and indirect).

According to UOP, most metropolitan areas are expected to experience modest gains in employment in 2010, with large coastal metropolitan areas leading with job growth related to technology, entertainment, tourism and global trade. The economies in Riverside and San Bernardino Counties economies are stabilizing, although increases in employment will take more time. The most troubled areas in the state will remain the San Joaquin Valley and the Sacramento metropolitan area.

California's Regional Economies

California is not only one of the largest economies in the world, but it is also one of the most economically diverse. The state's economy is comprised of a variety of industry clusters. While many of these clusters are linked through extended economic value chains across the state and world, in general, industry clusters operate within their own regional micro-economies.

In designing workforce development and job placement programs, service providers need to be well educated on the current and emerging business trends within the communities they work. When working with veterans, service providers have the advantage of being able to match skills learned while in the military with those needed in local businesses.

To gain a better understanding of the state's multifaceted economy, the California Economic Strategy Panel (ESP), working in collaboration with the Employment Development Department, established the California Regional Economies Project (Regional Economies Project) in 2003. As a first step, the Regional Economies Project undertook an analysis to determine the state's primary economic regions and related trends in workforce and business development. *A map of the state's nine economic regions is provided in Appendix F.*

From this analysis, ESP prepared regional economic profiles, which have become a basic building block for many groups undertaking their own community development activities. As an example, the California Partnership for the San Joaquin Valley, a group established by the Governor's executive

order in 2005, used its regional profile as a foundation for the development of its economic and community development action plan. Policymakers also use these profiles for developing and analyzing legislation, initiatives, and other community development activities.

In this subsection, basic information is provided on the state's nine regional economies including dominant industries, business size and workforce. The highest and lowest unemployment figures are also provided for counties in the region. *Appendix E includes a map indicating each county's unemployment rate.* As a baseline for the unemployment figures below, the state unemployment rate, not seasonally adjusted, was 12.1% in December 2009 (up from 9.1% a year prior).

Northern California Region

The Northern California region consists of 11 counties along the north coast, Oregon border, and northeastern Sierra Nevada including Del Norte, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Plumas, Sierra, Siskiyou, and Trinity. These counties are heavily dependent on natural resources, with the majority of the land consisting of public and privately owned forest and grazing lands. The region as a whole is sparsely populated and underdeveloped.

Top industry sectors in the region include government (28.7%), retail trade (13.3%),

and health care and social assistance (10.8%). The fastest growing sub-sectors in the Northern California Region include support activities for mining, air transportation, transportation equipment manufacturing, waste management and remediation services, and performing arts.

NORTHERN CALIFORNIA REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	0.9%
Establishment Growth	(2001-2007)	3.2%
Average Wage	(2007, Private Industry)	\$ 30,140
Wage Growth	(2001-2007)	26.5%
Firms with < 100 employees	(2007)	99.4%
Firms with < 50 employees	(2007)	98.1%
Self-employed, not incorporated	(2007)	15.5%
Per Capita Income	(2007)	\$ 31,961
Bachelor's Degree or higher	(2007)	1.3% to 31.5%
Families Living in Poverty	(2007)*	10.2%

* Data not available for all counties.

Source: Regional Economies Project

Additional information on the Northern California Region can be found at:

http://www.labor.ca.gov/panel/pdf/2009_Northern_California_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Northern California Region are some of the highest in the state and range from 19.8% in Trinity County to 11.4% in Nevada County.

Northern Sacramento Valley Region

The Northern Sacramento Valley region consists of the counties of Shasta, Tehama, Glenn, Butte, and Colusa. These counties are primarily agriculture-based, with forestry and farm-related manufacturing centered in Shasta County. This region differs significantly from its neighboring regions in land ownership and industrial composition.

Top industry sectors in the region include government (22.2%), health care and social assistance (13.3%) and retail trade (12.9%). The fastest growing sub-sectors in the Northern Sacramento Valley Region include furniture manufacturing, wholesale electronic market, financial vehicles, nonstore retail, and waste management and remediation services. More information on the Northern

NORTHERN SACRAMENTO VALLEY REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	7.4%
Establishment Growth	(2001-2007)	11.6%
Average Wage	(2007, Private Industry)	\$ 31,683
Wage Growth	(2001-2007)	25.7%
Firms with < 100 employees	(2007)	99.0%
Firms with < 50 employees	(2007)	97.2%
Self-employed, not incorporated	(2007)	11.0%
Per Capita Income	(2007)	\$ 29,967
Bachelor's Degree or higher	(2007)	11.5% to 23.9%
Families Living in Poverty	(2007)	11.5%

Source: Regional Economies Project

Sacramento Valley Region can be found at:

http://www.labor.ca.gov/panel/pdf/2009_Northern_Sacramento_Valley_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Northern Sacramento Region are also some of the highest in the state and range from 25.9% in Colusa County to 13.4% in Butte County.

Greater Sacramento Region

The Greater Sacramento region consists of six counties, which are becoming increasingly interdependent: Sacramento, Yolo, Placer, El Dorado, Sutter, and Yuba. Although eastern Placer and

GREATER SACRAMENTO REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	10.4%
Establishment Growth	(2001-2007)	30.8%
Average Wage	(2007, Private Industry)	\$ 42,213
Wage Growth	(2001-2007)	23.8%
Firms with < 100 employees	(2007)	98.3%
Firms with < 50 employees	(2007)	96.2%
Self-employed, not incorporated	(2007)	10.4%
Per Capita Income	(2007)	\$ 37,634
Bachelor's Degree or higher	(2007)	10.7% to 40.7%
Families Living in Poverty	(2007)	8.2%

Source: Regional Economies Project

El Dorado counties are currently more closely aligned with the greater Lake Tahoe area, most of the new growth in those counties is occurring in the western portions. As a result, the economic base is increasingly shifting towards the Sacramento area. Parts of Sutter and Yuba counties are currently more closely aligned with the Northern Sacramento Valley agricultural areas, but much of the new growth is

occurring along Highways 65, 70, and 99 in the direction of Sacramento County.

Top industry sectors in the region include government (25.6%), retail trade (11%), and health care and social assistance (9.2%). The fastest growing sub-sectors in the Greater Sacramento Region include other financial vehicles, petroleum and coal product manufacturing, private households, museums and similar institutions, and hospitals. Additional information on the Greater Sacramento Region can be located at:

http://www.labor.ca.gov/panel/pdf/2009_Greater_Sacramento_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Greater Sacramento Region range from 20.1% in Sutter County to 11.3% in Placer County.

San Joaquin Valley

The San Joaquin Valley region is composed of eight counties that line the southern Central Valley, including Fresno, Kern, Kings, Madera, Merced, San Joaquin, Stanislaus, and Tulare. Each of these counties have local economies based upon agriculture and related industries with 60% of the total region consisting of privately-owned farmland.

Top industry sectors in the region include government (19.7%); agriculture, forestry, fishing, and hunting (13.8%); and retail trade (10.7%). The fastest growing sub-sectors in the San Joaquin Valley include

SAN JOAQUIN VALLEY REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	11.6%
Establishment Growth	(2001-2007)	16.9%
Average Wage	(2007, Private Industry)	\$ 33,087
Wage Growth	(2001-2007)	26.1%
Firms with < 100 employees	(2007)	98.2%
Firms with < 50 employees	(2007)	95.8%
Self-employed, not incorporated	(2007)	7.1%
Per Capita Income	(2007)	\$ 27,379
Bachelor's Degree or higher	(2007)	12.4% to 18.6%
Families Living in Poverty	(2007)	14.1%

Source: Regional Economies Project

other information services, forestry and logging, private postal service, beverage product manufacturing and pipeline transportation. Additional information on the Central Valley Region can be located at:

http://www.labor.ca.gov/panel/pdf/2009_San_Joaquin_Valley_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the San Joaquin Valley Region are all double digit and range from 19.8% in Merced County to 15.4% in Madera County.

Bay Area Region

Traditionally, the nine counties that border the San Francisco Bay have comprised the Bay Area region including Alameda, Contra Costa, Marin, Napa, San Benito, San Francisco, San Mateo, Solano, and Sonoma. However, more recently, Santa Cruz and San Benito Counties have now become more

BAY AREA REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	-4.2%
Establishment Growth	(2001-2007)	11.0%
Average Wage	(2007, Private Industry)	\$ 66,934
Wage Growth	(2001-2007)	22.2%
Firms with < 100 employees	(2007)	98.2%
Firms with < 50 employees	(2007)	99.7%
Self-employed, not incorporated	(2007)	9.0%
Per Capita Income	(2007)	\$ 57,687
Bachelor's Degree or higher	(2007)	18.4% to 52.1%
Families Living in Poverty	(2007)	6.1%

Source: Regional Economies Project

economically dependent upon the Bay Area region than on the Central Coast region and are now considered part of the Bay Area regional economy.

Top industry sectors in the region include government (14.7%), manufacturing (10.2%), and retail trade (10.2%). Manufacturing is down 23.6%. The fastest growing sub-sectors in the Bay Area Region include other

information services, petroleum and coal product manufacturing, beverage product manufacturing, and internet service providers. Additional information on the Bay Area Region can be located at:

http://www.labor.ca.gov/panel/pdf/2009_Bay_Area_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Bay Area Region range from 18.7% in San Benito County to 7.8% in Marin County.

Central Sierra Region

The seven southeastern counties of the Sierra Nevada represent a distinct geographic and economic region, which includes Alpine, Amador, Calaveras, Inyo, Mono, and Tuolumne. The region is largely government owned, sparsely populated, and composes a small share of state economic activity. As a result, the region requires a different economic development strategy than neighboring regions.

CENTRAL SIERRA REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	6.6%
Establishment Growth	(2001-2007)	7.9%
Average Wage	(2007, Private Industry)	\$ 29,190
Wage Growth	(2001-2007)	27.9%
Firms with < 100 employees	(2007)	99.4%
Firms with < 50 employees	(2007)	98.1%
Self-employed, not incorporated	(2007)	10.9%
Per Capita Income	(2007)	\$ 31,961
Bachelor's Degree or higher	(2007)	18.6% to 19.8%
Families Living in Poverty	(2007)*	8.1%

**Data not available for any of the counties.*

Source: Regional Economies Project

Top industry sectors in the region include government (33.5%), accommodation and food services (17%), and retail trade (12.1%). The fastest growing sub-sectors in the Central Sierra Region include monetary authorities - central bank, air transportation, wholesale electronic markets, support services for transportation and financial vehicles. Additional information on the Central Sierra Region can be

located at: http://www.labor.ca.gov/panel/pdf/2009_Central_Sierra_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Central Sierra Region range from 15.2% in Calaveras County to 9.7% in Mono County.

Central Coast Region

The Central Coast region includes three counties – Monterey, San Luis Obispo, and Santa Barbara.

CENTRAL COAST REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	4.9%
Establishment Growth	(2001-2007)	12.6%
Average Wage	(2007, Private Industry)	\$ 37,325
Wage Growth	(2001-2007)	24.6%
Firms with < 100 employees	(2007)	98.4%
Firms with < 50 employees	(2007)	95.9%
Self-employed, not incorporated	(2007)	9.6%
Per Capita Income	(2007)	\$ 42,762
Bachelor's Degree or higher	(2007)	23.6% to 30.1%
Families Living in Poverty	(2007)	7.4%

Source: Regional Economies Project

Top industry sectors in the region include government (19.3%); agriculture, forestry, fishing, and hunting (13.3%); accommodation and food services (11.2%); and retail trade (10.9%). The fastest growing sub-sectors in the Central Coast Region include other information services, textile product mills, wholesale electronic markets, transit and ground transportation, and air transportation. Additional

information on the Central Coast Region can be located at:

http://www.labor.ca.gov/panel/pdf/2009_Central_Coast_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Central Coast Region range from 16.7% in Monterey County to 9.3% in Santa Barbara.

Southern California Region

The counties of Los Angeles, Ventura, Orange, San Bernardino, and Riverside comprise an economically interdependent region. According to the Regional Economies Project, Orange County is different from its northern and eastern neighbors, but not to the extent that a separate region is required.

Top industry sectors in the region include government (13.9%), retail trade (10.9%) and manufacturing (10.6%). The fastest growing

SOUTHERN CALIFORNIA REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	7.0%
Establishment Growth	(2001-2007)	28.9%
Average Wage	(2007, Private Industry)	\$ 47,197
Wage Growth	(2001-2007)	22.9%
Firms with < 100 employees	(2007)	98.3%
Firms with < 50 employees	(2007)	96.2%
Self-employed, not incorporated	(2007)	9.1%
Per Capita Income	(2007)	\$ 39,326
Bachelor's Degree or higher	(2007)	17.4% to 34.8%
Families Living in Poverty	(2007)	9.9%

Source: Regional Economies Project

sub-sectors in the Southern California Region include other information services, private households, wholesale electronic markets, financial vehicles, and support services for mining. Additional information on the Southern California Region can be located at:

http://www.labor.ca.gov/panel/pdf/2009_Southern_California_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Southern California Region range from 14.3% in Riverside County to 9.1% in Orange County.

Southern Border Region

The Southern Border Region is the smallest, but most diverse economic region in the state. However, according to the Regional Economies Project, the similarities are important for state strategic planning and, therefore, necessitate putting both counties in the same region.

SOUTHERN BORDER REGIONAL BUSINESS SUMMARY

Job Growth	(2001-2007)	8.5%
Establishment Growth	(2001-2007)	25.2%
Average Wage	(2007, Private Industry)	\$ 46,052
Wage Growth	(2001-2007)	23.8%
Firms with < 100 employees	(2007)	98.1%
Firms with < 50 employees	(2007)	95.6%
Self-employed, not incorporated	(2007)	8.9%
Per Capita Income	(2007)	\$ 43,364
Bachelor's Degree or higher	(2007)	10.6% to 33.5%
Families Living in Poverty	(2007)	8.4%

Source: Regional Economies Project

Top industry sectors in the region include government (17.4%), retail trade (11.3%), accommodation and food services (10.1%) and professional scientific and technical services (8.2%). The fastest growing sub-sectors in the Southern Border Region

include other information services, private postal services, support services for mining, and financial vehicles. Additional information on the Southern Border Region is located at:

http://www.labor.ca.gov/panel/pdf/2009_Southern_Border_Region_Economic_Profile.pdf

The December 2009 unemployment rates in the Southern Border Region range from 27.7% in Imperial County to 10.1% in San Diego County.

Improving Services for Veterans during Economic Recovery

During this recession, veterans have faced a particularly challenging time trying to obtain and retain jobs. As discussed in the first section, one-in-nine veterans are estimated to be out of work. For veterans who served in Iraq and Afghanistan, the jobless rate has increased from 11.2% to 15.2% in the past year.

Policies and programs designed to serve veterans need to be adjusted to better address their particular needs as the state slowly emerges from this recession. Key opportunities for improvement include:

- Strengthen the linkage between veteran service providers and local and regional economic development networks.
- Offer veterans information about key industries within their community, not just information about traditionally veteran friendly industry sub-sectors, such as private security. Veteran job seekers need to have more specific information about local businesses and their workforce needs. Local economies and business models are evolving and veterans need help in keeping current about the local job market.
- Provide veterans information about jobs they are qualified for now, as well as information they could be qualified for after education or training funded through the GI bill. Training opportunities should be presented in terms of real job opportunities in a specific community or region.

Section III – California's Veteran Related Workforce Development Programs

Background provided in this section builds on the information in the prior two sections, beginning with general information on the states' workforce development programs and then providing details on those programs that have been especially designed to serve the needs of California veterans and their families. *Appendix D includes an extended list of workforce development programs.*

California Workforce Development Programs

California's workforce development programs are primarily administered through the Labor and Workforce Development Agency (L&WD) and the California Community College System. Collectively, these programs strive to improve access to employment and training programs, and to ensure that California businesses and workers have a level playing field on which to compete and succeed.

Central to the state's workforce development delivery model is the **One-Stop Career Center (One-Stop)** system. The One-Stops, administered through local workforce investment boards, are a statewide network of centers that provide employment, education, and training services all in one location. The One-Stops work with public and private non-profit partners to provide their services. The One-Stops include programs such as Job Services, Unemployment Insurance, Vocational Education, and Vocational Rehabilitation including services particularly targeted to veterans. The One-Stops provide their services in English and Spanish and are organized around a locally determined set of priorities intended to meet the unique employment needs in each community. All but two of California's 58 counties have a One-Stop, with many counties having multiple one-stop locations.

Funding for the One-Stops is provided through a blending of federal funding provided to the state under the Workforce Investment Act (WIA) and the Wagner-Peyser Act. WIA guidelines emphasize private sector involvement, solid customer service, alignment of public sector resources, and the integration of education, workforce, and economic development programs in order to help both workers and employers compete and succeed in the global economy. Under WIA, 85% of federal funds flow directly to local workforce investment boards and the remaining 15% is available for state workforce development priorities.

The state established the **California Workforce Investment Board (CWIB)** to work in partnership with local workforce development boards to “achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life for all Californians.” Resources used to carry out CWIB activities are derived from the 15% WIA discretionary funds. The CWIB has a staff of 22 authorized positions, including an executive director. The staff organization supports various committees including the statutorily created Green Jobs Council.

The Perkins Act, a component of the overall WIA program, also offers incentive grants to states based on the successful completion of workforce and education programs in prior years. In this current year, California has also received one-time federal stimulus funds increasing CWIB grant amounts by almost 50% from \$11,220,000 in FY 2008/09 to \$28,038,000 in FY 2009/10.

The **Job Services Program**, administered by EDD, is another key component of the states workforce service network. Funded by an employer's payroll tax under the Federal Unemployment Tax Act, the Jobs Services Program connects employers with qualified workers, at no cost. The Jobs Services

Program is one of the largest employment services programs in the nation. It offers assistance through more than 400 service locations, in over 200 communities, serving more than 900,000 employers in this state. The Jobs Services Program also provides California's employers with a variety of services to meet workforce needs.

The Internet based **CalJOBS** hosts certain public portions of the Jobs Services Program and allows job seekers to enter their resume into a database that can be accessed by employers. Job seekers can also use CalJOBS to search the job listing database.

The **Unemployment Insurance Program**, also administered through EDD, provides compensation to workers who become unemployed, due to no fault of their own, and meet a series of eligibility criteria. Unemployment insurance promotes economic stability for unemployed workers and communities by maintaining the workers' purchasing power. While federal law sets a basic structure for states to follow in establishing their Unemployment Insurance Program, states have the authority to set benefit levels and the tax collection structure. The **Re-employment Program** is a specialized process that selects new UI claimants to ensure that they understand and meet the UI work test requirements of being able and available for work, as well as actively seeking employment.

Another key component to the state's workforce service network is the **Employment Training Panel (ETP)**, a business- and labor-supported state agency that funds job skill development initiatives that have good pay potential. The ETP administers several separate training programs, based on their source of capital. One source of funding is provided by an assessment of one tenth of 1% of unemployment insurance wages paid by every private, for-profit employer in the state, as well as some non-profits amounting to no more than \$7.00 per covered employee per year. This past year, ETP also received ARRA funding and in 2010, the Governor is proposing a new \$500 million multi year training program.

ETP has paid more than \$1 billion in training funds since its inception, and trained more than 660,000 California workers. In California, 60,000 businesses have been served, with 80% of companies having been small businesses with fewer than 250 employees per firm. Research has shown that for every \$1.00 invested in the ETP Program, \$5.00 is returned in economic benefits.

The **Economic Development and Workforce Preparation Division** of the Community College Chancellor's Office also has important responsibilities related to workforce and economic development, including the implementation of the comprehensive California State Plan for Vocational and Technical Education and the delivery of industry-focused technical assistance initiatives. Funds for this division have been severely cut in the past year due to state budget shortfalls.

Veteran Targeted Workforce Programs

EDD is responsible, in coordination with the **California Workforce Investment Board**, for administering a federal DOL - Veterans Employment Training (**DOL-VET**) grant. DOL-VETS grant moneys are used along with the **Workforce Investment Act** and the **Wagner-Peyser Act** funds to serve California veterans workforce development needs. In delivering its veteran focused programs, EDD partners with local workforce investment boards and other public and private service entities

Currently there are nine core workforce related programs that can assist newly discharged and unemployed veterans. Although specialized, the veteran service programs should be considered supplemental to the workforce programs described in the prior subsection.

Chart 7 provides a summary and comparison of veteran workforce programs in California with funding levels for the last two years. Budget information is not yet available for FY 2010/11. Following the chart, key features of these programs are provided.

Chart 7 - EDD Veteran Services Funding Summary			
Program	Funding Source	FY 2008/09	FY 2009/10
1. Local Veterans Employment Rep.-LVER Provide employment services to transitioning service members and outreach to employers.	Federal – Jobs for Veterans' State Grants	\$5,441,000	\$5,784,000
2. Disabled Veterans Outreach Program – DVOP Provide intensive services to those veterans in dire need of assistance and identify military skills that are transferable to civilian jobs.	Federal – Jobs for Veterans' State Grants	11,135,000	\$11,838,000
3. Veterans Employment-Related Assistance Program –VEAP Identify military skills that are transferable to civilian job which help to determine career pathways to advancement. Veterans can expect to receive a wide variety of training in fields such as health care, emergency medical technology, construction, security, law enforcement, and computer services.	WIA -25% Rapid Response -15% State Discretionary money -15% (ARRA) State Discretionary money	\$15,000,000	\$15,000,000
4. Temporary Assistance Program – TAP Resource training for those exiting the military.	Federal – Jobs for Veterans' State Grants	\$976,000	\$830,000
5. Operation Welcome Home Hire 320 for one year to work with local communities to make contact with recently released veterans and coordinate needed services, employment, Health Care, Education services, etc.	UI/Wagner Peyser	N/A	\$10,000,000
6. Honor a Hero-Hire a Vet Job Resource Fairs Provides funding for local job fairs.	WIA 25% Rapid Response	\$250,000	\$250,000
7. Veterans Training – Clean Tech Competitive grant program with emphasis on Clean Tech.	WIA 15% State Discretionary money	-0-	\$12,700,000
8. Engineer Training for Veterans San Diego University Program for veterans interested in engineering - 2 & 4 year degrees.	WIA 15% State Discretionary money	-0-	\$600,000
9. ETP Veterans Pilot Competitive grant program – 6 grants awarded in 215 veterans trained in business, commercial and computer skills.	Special Funds – Employment Training Fund	\$398,075	\$66,300
	TOTAL	\$27,822,075	\$56,690,300

As discussed in the first section of the paper, when military personnel prepare to leave the service, they have the opportunity to attend the **Temporary Assistance Program (TAP)** a two-day workshop to help them prepare to transition to civilian life. Although the TAP workshops are not mandatory, the DOD encourages participation and sets an 85% participation rate for all separating military personnel. The workshops provide information on a variety of resources, including those related to job searching, career assessment, education, health care and housing.

After separation from the military, a veteran's primary access point to workforce development programs is through the **One-Stops**. At the One-Stops veterans can receive guidance counseling, occupational training, mentoring and information on paid and unpaid work experience such as internships, apprenticeships and job shadowing. Veterans are also entitled to certain priority veteran services, such as:

- A 24-hour veterans only hold on all new job orders received by CalJOBS Labor exchange;
- Placement of qualified veterans resumes before non-veteran resumes on job screen orders that are reviewed by EDD or prospective employers; and
- Intensive, one-on-one assistance by veteran service specialists under the **Disabled Veteran Outreach Program (DVOP)** representative and the **Local Veterans' Employment Representative (LVER)**.

The DVOP and LVER serve as a key federal/state service provider for veterans seeking workforce development and related assistance. The DVOP specialists can help veterans access a broad range of services, including very specialized services for disabled veterans. The focus of the LVER is to provide employment services to veterans, market the veteran hiring and preference programs and outreach to prospective employers of veterans. Between the DVOP and LVER, veterans can be assisted in identifying civilian work skills based on military work experience, undertaking job search on CalJOBS, and accessing health services or housing.

Another important workforce partner is the **Veterans Employment Related Assistance Program's (VEAP)**. The focus of the VEAP is on identifying military skills that are transferable to civilian career paths and offer living wages, benefits, and career advancement opportunities, including working in apprenticeship programs that will result in quality jobs. Veterans and their spouses are eligible to receive a wide variety of training in such fields as health care, emergency medical technology, construction, security, law enforcement, and computer services. In FY 2009/10 VEAP received \$10 million in funding, including \$5 million in ARRA funds.

California received \$480 million in supplemental WIA funding pursuant to ARRA, \$70 million (15%) of which was available for state discretionary purposes. California established two veteran programs with these one-time monies, the **California Clean Energy Workforce Training Program** (\$12.7 million) and the **Engineer Training for Veterans Program** (\$600,000). Both programs were designed as competitive grants for businesses to help veterans get trained and into jobs with emphasis on clean technology and engineering. Last October 2, 2009, EDD awarded 34 grants under the clean energy program, for a total amount awarded was \$26,000. The Engineer Training for Veterans grant was awarded of the University of San Diego Engineering Education and Centers on August 20, 2009. No additional information is available on these projects.

According to the U.S. Department of Veterans Affairs, between 23 and 40% of homeless adults, as many as 200,000, are veterans. The **Homeless Veterans Reintegration Program (HVRP)** provides employment and training services to assist in reintegrating homeless veterans into the workforce and to encourage the development of innovative service delivery systems that can address the complex problems facing homeless veterans.

This program is the only nationwide program focusing exclusively on employment of homeless veterans and on identifying military transferable skills, as well as determining career pathways to industries with quality jobs. As part of HVRP activities, every year organizations receiving grants are allowed to budget and spend up to \$10,000 to support Stand Down activities, an effective means of outreach. For this reason, EDD allows \$7,000 for a one-day event and up to \$10,000 for a two-day event.

Often as part of the Stand Down activities, **Honor a Hero – Hire a Vet** job and resources fairs are part of the programmed activities. Over the past three years, this program has helped expand employment services through a series of more than 31 job and resource fairs held throughout the State. The job fairs are a collaborative effort with a local community's EDD office, as well as local veteran and non-profit organizations. These events have connected nearly 9,500 veterans with 2,200 employers and numerous service organizations.

Within the veteran services network, the **Community Based Organizations (CBOs)** are an important part of the safety net, often serving as the provider of last resort. The CBOs include both profit and not-for-profit organizations, many of which help the general public, as well as veterans. Veterans go to these organizations when they do not know where else to go. CBOs services often include directing veterans to the appropriate government agency to receive workforce or job services, health care services or housing.

Pilot Veteran Programs

In the recent years, the state has established two new pilot programs: the **ETP Veterans Pilot Program** and **Operation Welcome Home**. The ETP implemented its \$2 million program in 2008 to assist unemployed and underemployed veterans and Members of the National Guard who were seeking work or needed additional training in order to access higher wage jobs.

Under the EPT Veteran Pilot Program guidelines, trainees must be veterans who have served on active full-time duty in the Armed Forces within the last 24 months. Successful applicants are reimbursed for training cost at a maximum rate of \$20 an hour, at least 50% of total training hours must consist of vocational training, and workers are required to be retained for a minimum of three months or 500 hours within a six-month period. **Chart 8** has a list of approved applicants, as of October 2008.

Chart 8 - Employment Training Panel Veteran Pilot Projects						
Contractor Name	Industry	VET \$\$	# of VETS	County	Occupation	Types of Training
California DVBE Alliance	Various	\$73,935 (\$822 per trainee)	90	Statewide	Owners	Business Skills
Managed Career Solutions, Inc.	Services	\$199,880 \$ (\$5,260 per trainee)	38	Los Angeles	IT Specialist	Computer, Job Readiness skills
Apprentice and Journeymen Training Trust Fund of the Southern California Plumbing and Piping Industry	Construction	\$82,200 (\$8,220 per trainee)	10	Los Angeles, Kern, San Luis Obispo, Santa Barbara, Ventura, San Bernardino, San Diego	Journeyman, Foreman, Apprentice, Veteran Apprentice	Commercial, Computer skills
Fresno County WIB)	Services	\$42,060 (\$701 per trainee)	60	Fresno	Utility Workers, System Operators, Electrician	Business, Commercial skills

Contractor Name	Industry	VET \$\$	# of VETS	County	Occupation	Types of Training
Orion ICS, LLC DBA Gemini Energy Services	Services, Green Technology	\$66,300 (\$3,900 per trainee)	17	San Diego	Turbine Technician	Commercial skills
5 Contracts		\$464,375	215			
SOURCE: Employment Training Panel						

At the completion of the contract with ETP, participants are required to report on a number of accountability indicators including: recruitment outreach, eligibility determination, training completion, placement efforts, actual training costs, stability of participating employers, and areas served (rural or urban). While money for this program was exhausted in November 2009, the program is generally considered successful and discussions are underway to possibly provide funding in 2010-11.

In February of 2010, Governor Schwarzenegger announced the creation of **Operation Welcome Home**, to be administered through a collaborative effort by the Department of Veterans Affairs, Labor Workforce Development Agency, California Volunteers, and other local veteran service public and private organizations including CBOs. The goal of Operation Welcome Home is to remind the veterans that they are eligible to receive a wide variety of state and federal services and how they can access them.

Operation Welcome Home is organized around nine regional full-time teams that will help newly released veterans in finding employment and job training, educational opportunities, housing, mental and physical health care; federal benefits; and support for their families. The regional outreach teams will consist of 320 new EDD employees and will be funded by \$10 million in Unemployment Insurance and Wagner-Peyser Act funds.

Operation Welcome Home also includes the launch of another new initiative, the California Veteran Corps (CalVet Corps). The CalVet Corp will be an AmeriCorps-based network of volunteers that will be used to reinforce the efforts of the nine regional teams. The CalVet Corp is expected to hire and train 1,000 volunteers to make personal contact with recently released military personnel. The program has a performance measure that every California veteran will be contacted three times in the first year of military separation.

Incentive and Preference Programs

Aside from the workforce development programs, California has also implemented business development incentive and preference programs that help both the veteran business owner and the veterans who are looking for work. The **Disabled Veteran Owned Business Enterprise (DVBE) Program** was established in 1981 to increase business opportunities for the DVBE community, thereby stimulating the state's overall economy. The program is designed to help DVBEs be more competitive when applying for state contracts. Under the provisions of the program, each state agency is encouraged to award state contracts to DVBEs. In fact, California has implemented a yearly 3% DVBE participation goal and a requirement that the procurement process be more streamlined for small-size contracts \$100,000 or less, and that larger state contracts require the inclusion of a DVBE.

In addition to the DVBE program, the state created **Geographically-Targeted Economic Development Areas (G-TEDA)** that include the **California Enterprise Zone Program**. Under these programs, businesses located in a G-TEDA are eligible for a tax credit for hiring veterans, as well as other specific target groups. The G-TEDA programs are based on the economic principle that targeting significant incentives to lower income communities allows these communities to more effectively compete for new businesses and retain existing businesses, which results in increased tax revenues, less reliance on social services, and lower public safety costs. Residents and businesses also directly benefit from these more sustainable economic conditions through improved neighborhoods, business expansion, and job creation.

Most veterans are eligible for some type of **veteran job preference** when applying for federal jobs, state and local government jobs. These preferences, in certain circumstances, also extended to military spouses and widows of deceased veterans.

The current federal veterans' preferences come from the Veterans Preference Act of 1944, as amended, and now codified in Title 5, United States Code, states, "by law, veterans who are disabled or who served on active duty in the U.S. Armed Forces during certain specified time periods or in military campaigns are entitled to preference over others when hiring from competitive lists of eligible candidates."

Assessing the Veteran Workforce Development Network

Successfully serving the employment development needs of veterans is very challenging at any time, but especially during the worst economy since the Great Depression. Economists generally agree that economic recovery in California will be slow and double-digit unemployment is expected to continue throughout 2010 and, likely, 2011.

Given all of this, some public policy leaders have said that this time should be used to advance educational and vocational training opportunities so that workers will be well prepared for success when the economy recovers. As committee staff have prepared for the March 2, 2010 hearing, the following issues related to the state's existing veteran workforce development network have been raised by stakeholders.

1. Veterans face multiple barriers to employment, some related to workforce and others related to experiences during their term of service. This combination of challenges demands a higher level of integration than the current system provides.
2. While there are multiple funding sources, blending and coordinating activities within the workforce delivery system can be challenging and sometimes run afoul of federal and state laws and regulations.
3. The state's overall funding plan for veteran workforce development programs is based on a one-time redirection of funds and/or special projects. It is not clear how the focus of special projects originates and what particular workforce problem is being addressed.
4. There is a need to have a map as to how public moneys are going to be expended, timelines, and expected outcomes. There currently appears to be duplication of certain services and a lack of clarity about distribution of service providers.

5. There are inadequate intake and data tracking systems for serving veterans. Many tracking systems are unable to receive data from other EDD and/or CDVA programs. Interoperability of data is an essential component to program accountability.
6. Concerns have been raised about the long term effectiveness of establishing new, short term initiatives, which add new players within the veteran workforce development network. Program efficiencies may be better achieved through strengthening existing players and building better linkages among partners.

Section IV – Recommendations

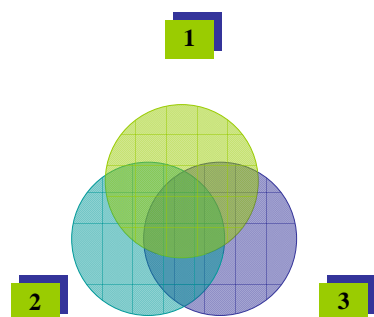
This section provides recommendations the Assembly Committee on Jobs, Economic Development and the Economy and the Assembly Committee on Veterans Affairs may wish to consider when developing a follow up strategy to the March 2, 2010 oversight hearing.

Linking Veterans with Jobs: A Report Card

During the course of the March 2, 2010 hearing, Members will have an opportunity to hear from veterans, government officials, veteran service providers, and workforce development professionals. Presentations and background information in this paper have described the needs of California veterans and how the broader veteran service network tries to connect veterans with services and benefits. In the case of assisting veterans to obtain good paying jobs with benefits, veteran service providers are encouraged to work collaboratively with other economic and workforce professionals in their communities.

With the state being ranked as 48th in job placement of veterans receiving assistance and with one-in-nine veterans being unemployed, success seems out of reach. This presents public policy makers with a unique challenge – having funding but no program or group of programs that can deliver the desired outcome: jobs.

Chart 9, below, includes each of the nine programs that the state has specifically implemented to assist veterans in their transition to civilian life and/or to access quality jobs. Across the top of the chart are the three key assessment criteria (also presented in the diagram):



1. The degree to which the program is effectively linked and can it be accessed through the broader veteran service network.
2. The degree to which the program advances the ability of the service provider and/or the veteran to successfully engage and understand the local and regional job market.
3. The degree to which the program has a clear mission, program structure, oversight process, and evaluation methodology.

As the diagram to the left illustrates, an effective veterans' workforce development network requires that each program within the network have positive impact on each of the three elements.

The report card exercise that follows is intended to focus attention on the fundamental elements of good programmatic design, effective collaborative methods, and outcome oriented evaluation systems. While it is unlikely that a single hearing can result in a definitive assessment of how well these programs perform, either collectively or singularly, the diagram and the chart serves to illustrate how little public information and attention these issues have received in the past. This hearing, however, can provide a basis for a set of recommendations that will result in better assistance to veterans in obtaining quality jobs.

Chart 9 - Veteran Workforce Report Card			
Programs	Integrated with other veteran benefits	Works with state and local economic development workforce programs	Sound program design
1. Local Veterans Employment Rep.-LVER Provide employment services to transitioning service members and outreach to employers.			
2. Disabled Veterans Outreach Program – DVOP Provide intensive services to those veterans in dire need of assistance and identify military skills that are transferable to civilian jobs.			
3. Veterans Employment-Related Assistance Program –VEAP Identify military skills that are transferable to civilian job which help to determine career pathways to advancement.			
4. Temporary Assistance Program – TAP Resource training for those exiting the military.			
5. Operation Welcome Home Hire 320 for one year to work with local communities to make contact with recently released veterans and coordinate needed services, employment, Health Care, Education services, etc.			
6. Honor a Hero-Hire a Vet Job Resource Fairs Provides funding for local job fairs.			
7. Veterans Training – Clean Tech Competitive grant program with emphasis on Clean Tech.			
8. Engineer Training for Veterans San Diego University Program for veterans interested in engineering - 2 & 4 year degrees.			
9. ETP Veterans Pilot Competitive grant program – 6 grants awarded in 215 veterans trained in business, commercial and computer skills.			

Preliminary Pre-Hearing Recommendations

The following recommendations into three topical areas: accountability and program reform, community capacity building, and improvements in veteran services.

Recommendation Area 1: Accountability and Program Reform

- Veteran workforce development activities should be based on real economic and workforce development data and guided by a single set of policies, priorities, and outcome metrics. As a first step, EDD should be asked to prepare a flow chart of the state's existing programs.

- Veterans face multiple barriers to employment, some related to workforce and others related to experiences during their term of service. This combination of challenges demands a higher level of integration than the current system provides.
- Programs lasting more than one year and/or funded with multi-year funding streams should be governed by some responsible level of statutory direction. This should be a condition of appropriation authority.
- Reporting is fundamental to a well run program. The veteran workforce development programs, however, have a variety of requirements, timelines, and metrics. These reporting requirements should be harmonized by content.
- The lack of interoperability among California's current data systems impairs the ability of public and private service providers to meet the needs of veterans. Interoperability must be given a higher significance in the design, review and approval of new and upgraded technology systems.

Recommendation Area 2: Community Capacity Building

- The CWIB should set guidelines and make recommendations on how local workforce investment boards can assist in strengthening veteran workforce development networks.
- A stable funding source should be sought for the CBOs whose primary purpose is to serve veterans. As an integral part of the veteran services network, inadequate or inconsistent funding jeopardizes the viability of the whole network.
- Improve the linkage between veteran service providers and local and regional economic development networks.

Recommendation Area 3: Improvement in Veteran Services

- EDD should report on its implementation of Unemployment Code Section 9616, which requires EDD to work with DOD on effectively translating military occupational skills into easily recognizable business skills sets.
- Veteran job seekers need to have more specific information about local businesses and their workforce needs. Local economies and business models are evolving. Offer veterans information about key industries within their community, not just information about traditionally veteran friendly industry sub-sectors, such as private security.
- Provide veterans with information about jobs they are qualified for now, as well as information on those they could be qualified for after training funded through the GI bill. Training opportunities should be presented in terms of real job opportunities in a specific community or region.
- Priority needs to be placed on providing a consistent Unemployment Insurance process for all Californians. Veterans are currently disadvantaged by the antiquated paper application process.

Appendix A

Fast Facts on the California Economy

California is one of the ten largest economies in the world with a 2008 gross state product (GSP) of \$1.84 trillion.ⁱⁱⁱ The latest California Research Bureau estimate of California foreclosures is 1.1 million between 2007-2012; currently California has 435,527 foreclosed properties.^{iv} December unemployment was at 12.4% (seasonally adjusted) representing an estimated 2.25 million unemployed workers in California.^v

California's Global Economy

- In 2008, California's total GSP was \$1.84 trillion as compared to the United States with an estimated gross domestic product (GDP) of \$14.2 trillion.^{vi}
- In 2008, California's GSP ranks it as the 8th largest economy in the world, following the United States (\$14.2 trillion), Japan (\$4.90 trillion), China (\$4.33 trillion), Germany (\$3.65 trillion), France (\$2.85 trillion), United Kingdom (\$2.64 trillion), and Italy (\$2.29 trillion).^{vii}
- Major industrial economies smaller than California's include Brazil (\$1.61 trillion), Russian Federation (\$1.6 trillion), Spain (\$1.6 trillion), and Canada (\$1.4 trillion).^{viii}

Job Market

- In December 2009, there were 14,148,000 jobs in nonfarm industries. California nonfarm payrolls lost 38,800 jobs in December, following a 17,600 job loss in November and a 31,100 job gain in October 2009.^{ix}
- Within nonfarm industries, three sectors saw month-over job gains and eight sectors saw month-over job declines. The sectors with increased employment in December 2009 were educational and health services (7,500); information (2,000); and financial activities (1,100). Sectors that lost jobs in December, in order of job loss, were: trade, transportation and utilities (15,300); other services (8,100); construction (7,500); manufacturing (5,900); leisure and hospitality (5,000); professional and business services (4,700); government (2,700); and mining and logging (200).^x
- From December 2008 to December 2009, nonfarm businesses have lost 579,400 jobs in payrolls, down 3.9% since December 2008 and more than the rate decrease of the nation (3.1%).^{xi}
- From December 2008 to December 2009, nonfarm jobs rose in 1 of the 11 major industry sectors.^{xii}

Unemployment (December 2009 – not seasonally adjusted as compared to the seasonally adjusted unemployment number above)

- Statewide: 12.1% (Up from 9.1% in 2008)
- Alameda County: 10.9% (Up from 7.8% in 2008)
- Colusa County: 25.9% (Up from 22.1% in 2008)
- Contra Costa: 11% (Up from 7.6% in 2008)
- Fresno County: 16.8% (Up from 13.3% 2008)
- Imperial County: 27.7% (Up from 24.5% in 2008)
- Los Angeles County: 12.0% (Up from 9.5% in 2008)
- Riverside County: 14.3% (Up from 10.6% in 2008)
- Sacramento County: 12.2% (Up from 8.8% in 2008)
- Santa Clara County: 11.2% (Up from 7.7% in 2008) ^{xiii}

In-sourcing of Jobs

- U.S. subsidiaries of foreign companies in California employ 572,500 California workers. ^{xiv}
- California ranks 1st in the United States in the number of employees supported by U.S. subsidiaries. ^{xv}
- In 2006, foreign-controlled companies employed 572,500 Californians and accounted for almost 9% of total manufacturing employment in California and 4.5% of the state's total private-industry employment. ^{xvi}
- At the national level, U.S. subsidiaries employ 5.3 million Americans and support an annual payroll of \$364.2 billion. ^{xvii}

Energy Market

- California produces 12.9% of the natural gas, 38.12% of the crude oil, and 73.2% of the electricity it uses. The remaining electricity and natural gas is purchased from Canada, the Pacific Northwest, the Rocky Mountain States and the Southwest. The remaining crude oil is imported from Alaska and foreign sources. ^{xviii}
- The West Coast prices for Alaskan North Slope crude oil hit a record high of \$84.68 per barrel on January 6, 2010, \$11.60 higher than December 2009. However, the price per barrel of crude oil has increased by \$39.69 over the last year. ^{xix}
- Reformulated gasoline production in California, for the week ending January 1, 2010, increased 16.7% from the previous week to 6.9 million barrels, rising to the top of a 5-year range and is 13.7% higher than a year ago. Inventories for California reformulated gasoline also increased 8.2% from December 2009. ^{xx}

California's Innovation Economy

- California ranks 4th among 50 states in state science and technology. Other top states include Massachusetts (1st), Maryland (2nd), Colorado (3rd), and Washington (5th). The index ranks states based on research and development dollars, number of patents issued, venture capital investment, and business starts. ^{xxi}
- California ranks 1st among 50 states for patents issued in 2008 when 185244 total patents were granted. Other top performing states include Texas (6,184 patents), New

- York (5,905 patents), Washington (4,158 patents), and Massachusetts (3,897 patents).^{xxii}
- California ranks 1st in start-ups and 1st in new branches in high-tech manufacturing. Other top ranking states include Texas, Florida, New York, and Michigan for start-ups and Texas, Florida, Georgia, and New York for new branches.^{xxiii}
 - The University of California system ranks 2nd, with Caltech ranking 3rd and Stanford ranking 4th, among all universities in the U.S. for the ability to transfer intellectual property (biotech research and patents) into commercial uses. These rankings are demonstrated in the Technology Transfer and Commercialization Index. Other top ranking universities include MIT (1st) and University of Florida (5th).^{xxiv}

California Trade and Foreign Investment Activity

- California merchandise exports were down for the 8th month in June 2009. According to the UC Center in Sacramento, California's year-to-date exports of \$56.3 billion are down 23% from \$73.2 billion in 2008.^{xxv}
- Exports from California accounted for 12% of total U.S. exports in 2008.^{xxvi}
- California's export shipments of merchandise in 2008 totaled \$144.8 billion, ranking California 2nd only to Texas (\$192.1 billion) among the states in terms of total exports of products.^{xxvii} If the value of services were added to the export of profit, it is likely that California would rank first in total exports.^{xxviii}
- Small and medium-sized firms generated more than two-fifths (44%) of California's total exports of merchandise in 2007.^{xxix}
- California's top three export markets in 2008 were Mexico (\$20.5 billion), Canada (\$17.9 billion), and Japan (\$13.1 billion).^{xxx}
- In 2008, the state's leading export category was computers and electronic products, representing 29% (\$41.7 billion) of California's total merchandise exports.

Appendix B

Summary of Legislation

AB 31 (Price) -Public Contracts: Small Business Procurement and Contract Act:

This bill increases the maximum contract threshold amount for awards to small business, including microbusiness, and disabled veteran-owned business enterprise (DVBE) under the state's streamlined procurement process, from \$100,000 to \$250,000, as specified.

The bill also requires contractors that made contract commitments to include small business or DVBE participation to report at the conclusion of the contract on the actual percent of the contract amount that was allocated to those entities. **Status:** Chaptered by Secretary of State - Chapter 212, Statutes of 2009.

AB 35 (Furutani) - Linking Workforce and Career Technical Education: This bill expands the scope of the functions and responsibilities of the California Postsecondary Education Commission (CPEC) to include the development of a strategic plan for the purpose of connecting education and workforce development programs in the state.

Status: The bill is pending in the Senate Rules Committee.

AB 165 (Carter) – WIA Moneys and Entrepreneurship Training: This bill requires the California Workforce Investment Board (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:** The bill was held in Assembly Appropriations Committee, May 2009.

AB 177 (Ruskin) - Penalties under the State Business Procurement and Contract

Act: This bill increases and conforms penalties for persons who falsely engage in activities relating to the Small Business Procurement and Contract Act (Small Business Act), including small businesses, microbusinesses, and disabled veteran-owned business enterprises (DVBE). **Status:** The bill is pending in Senate Governmental Organization Committee.

AB 1378 (V. Manuel Pérez) - California Workforce Investment Board: veterans' workforce accountability act:

This bill 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. **Status:** The bill is pending in Senate Rules Committee.

AB 1567 (Committee on Veterans Affairs) – More Accountability for EPT: This bill would require 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 pending in Assembly Committee on Veteran Affairs.

AB 2773 (Price) - Size of Small Business Procurement Contracts: This bill increases the maximum contract threshold amount for awards to small business, including microbusiness, and disabled veteran-owned business enterprise under a specific streamlined procurement process, from \$100,000 to \$250,000, as specified. The bill also requires contractors that made contract commitments to include small business or disabled veteran-owned business enterprise participation to report at the conclusion of the contract on the actual percent of the contract amount that was allocated to those entities. **Status:** The bill was held under submission in the Senate Committee on Appropriations.

AB 2998 (Carter) – WIA Moneys and Entrepreneurship Training: 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:** The bill was held in the Senate Appropriations Committee in 2008.

SB 293 (Ducheny) – Implementation of the Workforce Investment Act: This bill replaces the Family Economic Security Act in the California Unemployment Insurance Code with provisions that generally implement the Workforce Investment Act (WIA) 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 will 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 will also serve 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 9006

SB 584 (Huff) - California Disabled Veteran Business Enterprise Program: This bill requires prime contractors who have stipulated that they would use a Disabled Veteran-Owned Business Enterprise (DVBE) as a subcontractor to certify at the conclusion of the contract that all previously represented payments to the DVBE have been made; must include identification of each DVBE subcontractors used; and allows for the replacement of one DVBE subcontractor for another DVBE subcontractor with appropriate departmental approvals. **Status:** Signed by the Governor - Chapter 595, Statutes of 2009.

Appendix C

Compilation of Important Research and Reports on Workforce Needs of California Veterans

Much of the discussion involving the workforce development needs of California veterans is anecdotal. Below is a summary of several key studies and strategies that policy makers use to direct programs and services to the veteran community.

County Veteran Service Organization Survey, California Department of Veterans Affairs, January 2010

In January 2010, the California Department of Veterans Affairs surveyed County Veteran Service Offices (CVSOs). A total of 32 CVSO representatives completed the questionnaire, which addressed such issues as training, use of work studies, claim submissions, transportation options, and program budget cuts. The summary below is a selection of the survey's findings, primarily focused on workforce development needs of veterans.

- The three top priority "needs" of veterans were reported as advocacy and assistance with benefits, employment, and healthcare. Other high priority issues included financial assistance, housing and homelessness, and dental care.
- Asked about what CVSOs can do in the training area to improve services to veterans, respondents said to provide more information on training on a regional basis (58.1%) and reduce training conferences from 3 to 2 each year (22.6%). Other responses (19.4%) included focusing training on a single "hot" topic identified by the local CVSOs, provide separate training for "rookies" and "ultra pros," and to allow veterans to access services via the Internet.
- The most pressing administrative issue identified was having very limited funding for support staff which impaired the ability of the CVSO to provide outreach, file claims, and generally meet local veterans' needs in a timely fashion.
- While 65.6% of all CVSOs served veterans on both an appointment and walk-in basis, 62.5% reported having waiting lists for veterans who have requested assistance with claims or a benefit analysis.
- Approximately 53% of responding CVSOs said they regularly used work study as a means for assisting veterans. Of the 40.6% that said they did not use work study, the top reason (54.5%) was that there was no room in the local program.

- While 65% of respondents said they would be interested in supervising AmeriCorps and VISTA volunteers, 9.7% said "no" and 6.5% said they were not aware of these programs.

Honoring California Veterans: Strategic Plan 2009 to 2014, California Department of Veterans Affairs

There are an estimated 2.2 million veterans living in California who receive approximately \$6 billion in federal benefits and services. The California Department of Veterans Affairs annually receives \$390 million, \$205 million of which is from the General Fund. In addition, the department oversees a home loan portfolio worth more than \$1.9 billion. This Strategic Plan is designed to guide the state's action from 2009 to 2014.

- The Strategy identified the CDVA three core missions as:
 1. The administration of outstanding state veterans homes that provide a continuum of care for veterans who choose to live in those homes through the Homes Division.
 2. The administration of a financially strong and economically successful housing program for veterans and their families through the Farm and Home Loan Division.
 3. The provision of services and advocacy on behalf of veterans before the U.S. Department of Veterans Affairs through the Veteran Services Division and the Deputy Secretary for Women and Minority Veterans.

The functions of the other CDVA divisions are to support the success of the core mission.

- Each of the three core missions is guided by one preeminent goal for each of the implementing divisions:
 1. Housing for Veterans, Farm and Home Loan Division – Provide outstanding customer service and wise financial planning that results in a profit each fiscal year and will achieve an AAA rating for the Division's General Obligation bonds from two of the rating agencies by 2014 and improve the current rating by at least one level by 2011.
 2. Long Term Care for Veterans, Veterans Homes Division – Achieve a CMS Five-Star quality rating by 2014 for all the Division's Veterans Homes, and improve current rating by at least one level by 2011.
 3. Services for Veterans, Veteran Services Division – Provide high quality advocacy and services for all California Veterans and to increase the percentage of veterans

in California who receive USDVA compensation and pension benefits to at least the national average by 2014.

Joint Legislative Veteran Working Group: Veteran Employment, Education and Training Site Visit and Roundtable Discussion, California Research Bureau, California State Library, December 2009

In December of 2009, the California Research Bureau hosted a site visit and roundtable discussion of the Joint Legislative Veteran Working Group (Group). In the morning they Group toured the Mark Sanders Career Center, one of Sacramento's One Stop Career Centers. During the tour, the Group heard from the Disabled Veteran Outreach Program representative and the Local Veterans' Employment Representative, as well as speakers from the Transitional Assistance Program, the California Troops to College, and the Veterans' Benefits Online Tools Findings Project. In the afternoon the Group toured the Veterans Resource Center and heard a presentation on the Texas veteran employment assistance program, which had improved from 32nd in the nation to 11th after making significant changes to their program structure. The day closed by speaking with veterans about barriers to employment, education and training opportunities in California. Following the site visit and roundtable, the California Research Bureau raised the following issues:

- Capacity: There is concern over the magnitude of the number of veterans returning from service combined with the current state of the California economy being too much for our existing system to adequately address.
- Rural Communities: Veterans in rural areas seem to be experiencing the greatest challenges. Current data collection methods, however, make this type of programmatic analysis very difficult.
- Service Integration: Veterans face multiple barriers to employment, some related to workforce and others related to experiences during their term of service. This combination of challenges demands a higher level of integration than the current system provides.
- Outcomes: While Department of Labor made improvements to the performance accountability standards in 2005, there is still a need for better measurement tools.

Jobs for Veterans State Grant: 5-Year Tactical Business Plan FFY 2010 to 2014, California Employment Development Department, October 2009

Since 1946, California has received an annual workforce development grant from the federal Department of Labor. Federal guidance defines the funds as a limited use "staffing grant." According to its 5-Year Business Plan, EDD has historically believed that it had very little ability to appropriately plan and leverage these federal funds with

other activities for veterans. Recent changes, however, have shifted the funding from a "staffing grant" to now being considered a "resource," which could allow EDD an opportunity to better utilize these funds. Below are highlights from EDD's 5-Year Business Plan.

- Structure: EDD is responsible, in coordination with the California Workforce Investment Board and the leadership of the Labor and Workforce Development Agency, for administering the federal DOL-VETS grant, along with the Workforce Investment Act and the Wagner-Peyser Act. In implementing the program, EDD partners with local workforce investment boards and other public and private service entities. Through this network, the state and its partners coordinate a wide array of services, including, but not limited to, employment services, job training, vocational education, supportive services, and participation in community college programs.
- Program: The purpose of the DOL-VETS grant is to provide a specific resource for veterans who require more intensive services, including case management. To accomplish this, the federal funding is used to hire and specially train EDD employees who also have a veteran military background.
- Key Objectives: California will promote the hiring and retention of veterans through:
 1. Implementation of AB 3065, Chapter 590, Statutes of 2008, which allows veterans without civil service status to take promotional exams;
 2. Partnerships with public utilities and community colleges to train and employ veterans;
 3. Development of business relationships with various organizations in the health care, banking, transportation and green industries, as well as other emerging technology fields.
 4. Continuing to assess and target veteran-friendly industries for additional recruiting and marketing programs to veterans;
 5. Providing WIA funds to public and private sector entities in partnership with the EDD for job training and placement for veterans in high growth fields such as health care, emergency medical technology, construction, security, law enforcement and computer services; and
 6. Recruiting, training, and preparing Veteran Workforce Specialists and Veteran Employment Service Specialist staff in anticipation of higher than average retirement of eligible employees over the next five years.
- In addition, the Business Plan proposes to:
 - Target services to veterans most in need;

- Deploy staff funded by the DOL-VETS program to all the 259 One-Stop Career Centers proportional to local veteran populations;
- VESS staff will provide a range of workforce services to veterans with the primary focus on identifying veterans who require intensive services;
- Research performance incentive awards; and
- For FFY 2009-10, EDD is requesting 3 additional TAP staff to handle higher demand and broader coordinating responsibilities.

California's Women Veterans: The Challenges and Needs of Those Who Served, California State Library, California Research Bureau, Lisa K. Foster and Scott Vince (CRB-09-009, August 2009)

California is home to nearly 167,000 women veterans –8% of the state's 2.2 million veteran population. Women veterans in California and nationally are both younger and more racially and ethnically diverse than their male counterparts. The California Research Bureau undertook this assessment on the special needs of California's women veterans at the request of Senator Lois Wolk and the California Commission on the Status of Women. Key needs of California's female veterans identified in this study include:

- Recognition and respect for their military service.
- Opportunities to interact with other women veterans to share their experiences and provide/receive support.
- Support and services for themselves and for their families to re-establish family roles and relationships.
- Child care options.
- Access to high quality, gender-specific healthcare, separate spaces to receive care and treatment, and staff that are trained to understand and meet their needs.
- Access to high-quality mental and behavioral health treatment and services targeted to their specific issues and experiences, separate spaces to ensure privacy and safety, and staff that are trained to understand and meet their needs.
- Military sexual trauma (MST) care and treatment in separate spaces to ensure privacy and safety, staff that are trained to understand and treat military sexual trauma, and outreach about MST and services.

- Suitable and affordable housing, and particularly for those who are homeless or at risk of homelessness, need gender-appropriate services, such as private and safe shelters and transitional housing; they also need health and mental/behavioral health services.
- Education, and employment and training opportunities that are targeted to meet their needs.
- Information about existing services and benefits; including specific outreach efforts directed at women veterans and focused on their areas of concern.

Workforce Investment Act: Labor Has Made Progress in Addressing Areas of Concern, but More Focus Needed on Understanding What Works and What Doesn't, Government Accounting Office, February 2009

Since the enactment of the Workforce Investment Act's (WIA) in 1998, GAO has issued numerous reports that included recommendations including improvements to performance measures and accountability, assessments of funding formulas and spending, evaluation of one-stop centers, and training. Collectively, GAO studies employed an array of data collection techniques, including surveys to state and local workforce officials and private sector employers; site visits; interviews with local, state, and Department of Labor (DOL) officials; and analyses of DOL data and documents. In February 2009, GAO prepared an update on the progress DOL has made in implementing the various recommendation, excerpts from the summary are below.

- Labor has made some progress addressing earlier concerns regarding performance measurement and the accuracy of performance data, but issues with funding remain.
- The move to common measures helps provide a more complete picture of WIA services and may encourage services to challenging clients. DOL, however, has not chosen to systematically adjust expected performance levels to account for different populations and local economic conditions, as recommended.
- DOL has made strides in improving the accuracy of performance data by requiring states to conduct data validation efforts. And, it has made progress in states' ability to share data for tracking WIA performance, securing the participation of all but one state in the Wage Record Interchange System.
- DOL is also moving ahead with plans to implement an enhanced data reporting system that would, for the first time, allow DOL and states to track an individual's progress through the One-Stop system.
- While progress has been made with regard to performance data, ensuring that funding is consistent with the demand for services and reflects funds states have available remains an issue.

- To date, Labor has been slow to comply with the requirement to conduct impact evaluations of its programs and activities carried out under WIA. In 2004 and 2007, GAO recommended that DOL comply with the requirements of the law and conduct an impact evaluation of WIA services to better understand what services are most effective for improving outcomes. In its fiscal year 2008 budget, DOL identified a WIA assessment as an effort the agency would begin, and it has since initiated two studies. One, a nonexperimental study, is now complete, and officials expect to publish the results in March 2009. The other uses a random assignment experimental design, and will not be completed until June 2015.
- To address what DOL perceived as shortcomings in the one-stop service delivery system, DOL developed three separate discretionary grant initiatives to focus on the employment and training needs of high-growth, high-demand industries and awarded almost \$900 million for these initiatives. However, DOL will be challenged to assess their impact given methodological issues related to outcome data. Moreover, DOL does not plan to include them in the assessment of the impact of WIA services because the initiatives have their own evaluations.

Online Tools for the 21st Century U.S. Veterans: Final Report on the Veteran's Benefits Online Tools Findings Project, World Institute on Disability, Bryon MacDonald and Jack Eastman, January 2009.

The California Work Incentives Initiative at the World Institute on Disability convened a series of meetings with experts from veteran and disability organizations to assess how U.S. veterans obtain benefit information. Key findings and recommendations are described below:

- The project found that veterans and service providers struggle to navigate the complex eligibility rules with inadequate technologies to support their work, which can sometimes lead to providing veterans with an incomplete and/or inaccurate understanding of the programs and services for which they may be eligible. With incomplete or less than adequate information, some veterans make decisions that produce unexpected and adverse impacts on household income, while others become frustrated by the lack of clear information and delay or abandon their plans to join the workforce.
- The project concluded that no comprehensive set of tools exist to assist veterans who seek needed services, benefits or paid work. The project presents a consensus finding that the current state of veterans' benefits planning services needs immediate attention, review and remedy.
- To address this problem, two online tools are recommended for deployment in a comprehensive informational website maintained by a nonprofit:

1. An online Veterans Benefits Information Navigator tool to provide veterans with the means to connect to vital resources.
 2. A Veterans' Benefit and Work Calculator to assist veterans in estimating the effects of paid work on veteran and other social service benefits.
- No one, however, considers online tools as a substitute for one-on-one counseling with trained service organization experts.

Strategies to Improve California's Utilization of Veteran Benefits, California Department of Veterans Affairs, March 15, 2007

The U.S. Department of Veterans Affairs expended \$6 billion in California in federal fiscal year 2005. Of that amount, \$2.66 billion was in disability payments (compensation and benefits) to veterans. Pursuant to AB 1806, Chapter 69, of Statutes of 2006, the California Department of Veterans Affairs (CDVA) was required to conduct a stakeholder-driven process for development of a set of recommendations on how to increase the number of veterans receiving federal veteran benefits. Below are key findings and recommendations from the report.

- California's veteran benefit delivery model is similar to many states, in that it relies the on use of the county veteran service offices (CVSOs) and the private veteran service organizations (VSOs). CVSO-employed veteran service representatives are generally fully accredited representatives with the U.S. Department of Veteran Affairs.
- California, Texas and Florida have the largest veteran populations in the nation. Texas collects 44% more disability benefits than California on a per capita basis. California collects \$190 million less than Texas per year while having 35% more veterans. Florida collects 31% more disability benefits than California.
- More federal veteran benefit dollars in California will have a positive impact on the California economy. Increasing disability benefit participation to the national average could generate an additional \$330 million in annual payments to California veterans.
- The biggest difference between California, Texas and Florida veteran outreach model is the number of professional veteran service representatives. If California veterans are to receive more benefits, the state must put more professional service representatives in the field and be sure they are trained. Historical data shows that for every \$1 of state funding provided, CVSOs generate approximately \$100 new dollars in benefits.
- Strategies to increase California participation rates include:

1. Focus outreach in the field by providing resources to support full time professional service representative staff with a focus on areas with large veteran populations and lower than average benefit participation rates. This includes funding for CVSO staffing for outreach and CDVA district offices to support claims representation, local training and local outreach.
2. Establish a grant program directed to new and expanded veteran service organization outreach programs that focus on areas with large veteran populations and lower than average benefit participation rates.
3. Establish an audit and program at the state level.
4. Encourage the Department of Defense and the USDVA to develop a veteran data exchange system to help all state locate and contact veterans.
5. Continue to improve partnerships at the state level.
6. Use new moneys to supplement and not supplant existing veteran program funding.

Appendix D

Summary of Selected State Economic and Workforce Investment Programs

Below are brief descriptions of a number of California's economic and workforce development programs available at the state level. This listing is intended to provide a basic representation of the types of programs and services that are available to businesses in California. For a complete listing of state programs and services, please refer to the Catalog of State Economic and Workforce Development Programs developed by JEDE in 2007. The Catalog is available through the JEDE Committee office and from its website located at www.assembly.ca.gov. California's economic and workforce investment programs are spread across several governmental agencies and entities.

Workforce Development

Veterans Employment Related Assistance Program (VEAP)

The purpose of the VEAP grants is to focus on identifying military skills that are transferable skill sets to determine career paths that offer living wages, benefits, and career advancement opportunities. Veterans can expect to receive a wide variety of training in fields such as health care, emergency medical technology, construction, security, law enforcement and computer services. To be eligible for the program, veterans must have been honorably discharged within the past 48 months. Organizations must apply through a competitive grant process for funding to EDD.

Homeless Veterans Reintegration Program (HVRP)

The HVRP provides employment and training services to reintegrate homeless veterans into meaningful jobs within the labor force and to stimulate the development of effective service delivery systems that will address the complex problems facing homeless veterans. This program is the only nationwide program focusing exclusively on employment of homeless veterans and focuses on identifying military transferable skills and determining career pathways to industries that offer livable wages. The HVRP funds are awarded to eligible entities through a competitive grant process. California received \$14 million in FY 2009/10.

A portion of HVRP money goes toward supporting Stand Down activities. CDVA allows its competitive grantees to budget and spend up to \$10,000 a year to support Stand Down activities. They are considered to be an effective means of outreach. The Stand Down amount for a one-day event is \$7,000 and a two-day event is \$10,000.

Honor a Hero – Hire a Vet

Over the past three years the Honor a Hero – Hire a Vet Initiative has helped expand employment services through a series of more than 31 job and resource fairs held throughout the State. The job fairs are a collaborative effort with the local community's, EDD, and local veteran and non-profit organizations. These events have connected nearly 9,500 veterans with 2,200 employers and numerous service organizations. In FY 2009/10 this program was funded for \$250,000.

Veterans Training (ARRA)

The California Clean Energy Workforce Training Program 2009/10 program is targeted to veteran job training programs. This is a competitive process and designed to be for short-term training of veterans to get them employed with an emphasis on clean tech jobs. A request for proposals was distributed and on October 2, 2009 EDD awarded the grants to 34 organizations throughout California. The funds come from the 15% State Discretionary money and AB 118 (Nunez). In FY 2009/10 a total of \$26,753,712 were awarded.

Engineer Training for Veterans (ARRA)

This pre-engineering certificate pilot program targets returning veterans with GI bill education benefits and builds upon the troops to College Initiative and aligns to academic degree and certificate programs in engineering fields to construct a pipeline to engineering careers. The program creates a partnership with public higher education, private sector, state agencies to work on a comprehensive program which uses the apprenticeship model for entry into the engineering profession. Information about this program is given to the newly discharged veteran during the initial needs assessment done by the DVOPs/LVERs. In FY 2009/10 this program was funded for \$600,000.

ETP Veterans Pilot Program

The Employment Training Panel implemented the Veterans Pilot Program to assist unemployed veterans and members of the California National Guard entering the workforce and to improve their opportunities for advancement in high wage jobs.

Responsibilities of the pilot program are to recruit and train unemployed veterans and the National Guard and to train full-time employees by the beginning date of the program. The program stipulates that trainees must be veterans who have served on active full-time duty in the Armed Forces. Requires \$20 per hour reimbursement and that at least 50 percent of total training hours must consist of vocational training. The funding for this program was expended as of November 2009 for FY 2009/10.

Operation Welcome Home (OWH)

Operation Welcome Home was proposed by Governor Schwarzenegger in February 2010. A coalition of staff from the Department of Veterans Affairs, Labor Workforce

Development Agency, California Volunteers, and other state and federal entities and non-profit organizations came together to create this program and oversee its progress.

The proposal establishes nine regional full-time teams that will help newly discharged veterans in finding employment and job training, educational opportunities, housing, mental and physical health care; federal benefits; and support for their families. The regional outreach teams will consist of 320 new EDD employees and will be funded by \$10 million Unemployment Insurance and Wagner-Peyser Act funds.

Operation Welcome Home also launches the California Veteran Corps (CalVet Corps), a volunteer network to reinforce the efforts of the full-time regional units. The expectation is that 1,000 CalVet volunteers will be trained by the regional coalition staff and sent out to make contact with recently discharged veterans to inform them of available programs or resources. The program requires that personal contact be made with the veteran three times in the first year of military separation. In FY 2009/10 this program is funded for \$10 million.

Transition Assistance Program (TAP)

The TAP is a federal program that was created to assist military personnel that are preparing to separate or retire. This program is a cooperative effort between DOL-VETS, the Department of Defense (DOD), Department of Homeland Security (DHS) and the U.S. Department of Veteran Affairs (USVA). This program was instituted in 1990 and has provided job preparation assistance to over 2 million separating and retiring members of the military.

In FY 2008, following a strategic planning exercise with the DOD, the USVA and representatives from private industry worked on creating a standard TAP presentation. If you are stationed within the U.S. the TAP classes are given by local DVOP/LVERs. When stationed overseas the DOD provides the TAP classes. The curriculum covers two-and-a-half days of classroom instruction and provides information on a variety of topics from career assessment to health issues.

California Workforce Investment Board (CWIB)

CWIB was formed to assist the State of California in complying with the federal Workforce Investment Act of 1998. Among the CWIBs responsibilities is to oversee the use the state's 15% discretionary money. CWIB's goals, as described in its strategic plan, are to "achieve sustainable economic growth, meet the demands of global competition in the modern economy, and improve the quality of life for all Californians." To meet these goals, CWIB and local workforce investment boards throughout the state work with stakeholder groups consisting of private businesses and public entities. CWIB's mission focuses on providing employment training with strong job prospects and to connect employers with job seekers. More information on the CWIB and the local workforce investment boards may be found at: www.calwia.org.

California Employment Training Panel (ETP)

Established in 1983, the ETP is a business- and labor-supported state agency that funds job skills training to provide workers with jobs that have good pay potential and long-term usefulness. ETP is governed by a seven-member panel appointed by the Governor and Assembly and Senate Leadership. ETP uses the Employment Training Fund for its training programs. Monies in the Employment Training Fund are provided by one-tenth of 1% of unemployment insurance wages paid by every private, for-profit employer in the state, as well as some non-profits, amounting to no more than \$7.00 per covered employee per year. Research has shown that for every \$1.00 invested in the ETP Program, \$5.00 is returned in economic benefits. More information regarding the ETP may be found at: www.etp.ca.gov

California One-Stop Career Centers

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 Career Centers work with public and private non-profit partners to provide their services. Some One-Stop Career Centers have all of their partners on site, and other do not. However, all partners are community-based and easily accessible to workers, job seekers, and businesses.

Infrastructure Development and Goods Movement

Goods Movement Plan

This effort, led by the Business, Transportation and Housing Agency and the California Environmental Protection Agency, is intended to improve the movement of goods in California. This plan aims to facilitate business growth in both the near and long term by promoting infrastructure improvements and developing strategies to maximize the ability of businesses to import, export, and distribute goods using California's roadways, ports, rails, and other modes of transport. In January 2007, the Phase II Goods Movement Plan was published which provided a statewide action plan for goods movement. More information on funding priorities may be found at: www.arb.ca.gov/gmp/gmp.htm.

Metropolitan Planning Organizations

A Metropolitan Planning Organization (MPO) is an organization of elected officials in urbanized regions with a population of over 50,000. MPOs provide a forum for local decision-making on transportation issues of a regional nature. Under [TEA-21](#), the MPO's objective is to "encourage and promote the development of transportation systems embracing various modes of transportation in a manner which will efficiently maximize the mobility of people and goods within and through urbanized areas and minimize transportation-related fuel consumption and air pollution." As a condition for receipt of federal capital or operating assistance, MPOs must have a continuing, cooperative and

comprehensive transportation planning process. The MPOs are to cooperate with the state in developing transportation plans and programs for urbanized areas. This transportation planning process is to result in plans and programs consistent with the urbanized area's comprehensive planned development. In addition, the plans are to provide for the development of transportation facilities (including pedestrian walkways and bicycle facilities) and serve as an intermodal system for the state, metropolitan areas and the nation. More information on funding priorities may be found at: http://www.dot.ca.gov/hq/tpp/offices/orip/index_files/MPOs_and_RTPAs_Contact_List.pdf

The California Infrastructure and Economic Development Bank (I-Bank)

The I-Bank was created to promote economic revitalization, enable future development, and encourage a healthy climate for jobs in California. The I-Bank has the authority to issue tax-exempt and taxable revenue bonds. I-Bank administered programs include: the Infrastructure State Revolving Fund Program; the Industrial Development Revenue Bond Program; the Infrastructure & Community 501(c)(3) Revenue Bond Program; and the Exempt Facility Revenue Bond Program. More information may be found at: www.ibank.ca.gov

Business Development and Promotion

California Business Portal

This state government website provides links to a wide range of information for businesses, including establishing a business, expanding an existing business, exporting goods, foreign investment, doing business with government, key industries information, and Internet links to relevant public and private entities that provide other services to businesses. The Internet address for the California Business Portal is: www.calbusiness.ca.gov.

Small Business Development Centers

Small Business Development Centers (SBDC) provide free services to business clients to assist them in achieving their global market goals. SBDCs provide basic business development assistance at 46 locations throughout the state. These centers are funded by the U.S. Small Business Administration, the Chancellor's Office of California Community Colleges, and donations from business and other academic institutions. More information may be found at: www.calbusiness.ca.gov/cedpgybsbdc.asp

California Government: Online to Desktops (CalGOLD)

Contained within CalEPA, CalGOLD is an Internet portal for businesses to access information about environmental, regulatory, and permitting requirements. CalGOLD does not issue licenses or permits but provides assistance for businesses in determining

permitting and licensing requirements and provides contact information for the appropriate permitting or licensing agency. More information is available at: www.calgold.ca.gov.

California Business Investment Services (CalBIS)

Contained within the California Labor and Workforce Development Agency, CalBIS “serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion.” Among its services, CalBIS provides site selection services, information on international trade, workforce services, labor market data, and guides for businesses, including “California Investment Guide: an Overview of Advantages, Assistance, Taxes and Permits” and “Setting Up Business in California: a Guide for Investors.” More information may be found at: www.labor.ca.gov/calBIS/.

Small Business Loan and Guarantee Program (SBLGP)

The SBLGP Program was established to assist small businesses to obtain term loans or lines of credit when they cannot otherwise qualify for these types of credit on their own. The State, working through eleven Financial Development Centers, guarantees a qualifying small business borrower's loan is guaranteed in the event the borrower defaults. Loan terms and interest rates are negotiated between the borrower and the lender. More information may be found at: www.leginfo.ca.gov/cgi-bin/displaycode?section=corp&group=14001-15000&file=14055-14060.6

Direct Farm Loan Program

The Direct Farm Loan Program provides loans to family farms for crop production, harvest loans, farm ownership, farm improvements or equipment acquisition. The loans must be eligible for guarantee by the U.S. Department of Agriculture's Farm Services Agency. Whereas small business loan guarantees are made with the approval of the Financial Development Corporation's Board of Directors, loans made in the Direct Farm Loan Program must receive approval from the Farm Services Agency prior to the Financial Development Corporation's approval. More information may be found at: www.leginfo.ca.gov/cgi-bin/displaycode?section=corp&group=14001-15000&file=14070-14076

Community Development Block Grant Program (CDBG)

The Department of Housing and Community Development administers the small cities portion of the federal CDBG Program. Large and medium sized municipalities are provided with direct allocations from the federal Housing and Urban Development Department. Counties with fewer than 200,000 residents in unincorporated areas and cities with fewer than 50,000 residents that are not participants in the federal CDBG Program compete for program dollars. Each year the CDBG Program makes funds available to eligible jurisdictions through several allocations including: General, Native

American and Colonias; Economic Development – Over the Counter; Economic Development – Enterprise; and Planning and Technical Assistance allocations. Due to the flexibility of the program, most of these allocations are significantly over subscribed. More information may be found at: www.hcd.ca.gov/fa/cdbg/Enterprise.html

Sustainable Communities Grant and Loan program

The Sustainable Communities Grant and Loan Program, administered by the California Pollution Control Financing Authority, assists cities and counties to develop and implement sustainable community growth policies, programs and projects. The Program has funded specific plans, alternative transportation studies, finance plans, redevelopment plans, engineering studies, public projects, and other efforts that promote sustainable development policies. More information may be found at: www.treasurer.ca.gov/cpcfa/scgl/summary.pdf

California Capital Access Program (CalCAP)

Administered by the California Pollution Control Financing Authority, the CalCAP is chaired by the State Treasurer. CalCAP encourages banks and other financial institutions to make loans to small businesses that fall just outside of most banks' conventional underwriting standards. Eligible businesses must be in one of the industries in the Standard Industry Classification codes list and meet specified standards for conducting business in California. The business activity resulting from the loan must be created and retained in California, and must meet federal Small Business Administration classification guidelines or have fewer than 500 employees. More information may be found at: www.treasurer.ca.gov/cpdfa/calcap.htm.3.

Geographically-Targeted Economic Development Programs

Geographically-Targeted Economic Development Areas (G-TEDAs)

The Enterprise Zone (EZ) Program and the other geographically-targeted economic development areas (G-TEDAs) are among the largest state economic development programs in California. The Department of Housing and Community Development (HCD) administers four G-TEDA programs including EZs, Manufacturing Enhancement Areas (MEAs), Local Agency Military Base Realignment Areas (LAMBRAs), and one Targeted Tax Area (TTA). Under the G-TEDA programs, businesses and other entities located within targeted areas are eligible for a variety of local and state provided incentives. Local governments often write down the costs of development. They may also fund related infrastructure improvements, provide job training to prospective employees, or establish a streamlined process of obtaining permits. Additionally, the state offers a number of incentives, including: tax credits; special tax provisions; priority notification when selling state surplus lands; access to certain brownfield clean-up programs; and, preferential treatment for state contracts. More information may be found at: www.caez.org

Community Redevelopment Project Areas (RDAs)

The California Constitution provides for the establishment of community redevelopment project areas and the issuance of property tax increment bonds. Areas are selected by a local community based on specific conditions of blights. RDAs have special authorities and responsibilities within project areas for the purpose of eliminating blight and increasing property values and the community's quality of life. Once established, prescribed portions of any increases in property taxes from within the project area are available to the RDA to finance the implementation of the approved redevelopment plan. More information may be found at:

<http://www.calredevelop.org//AM/Template.cfm?Section=Home>

Recycling Market Development Zones

The RMDZ program, administered through the Integrated Waste Management Board, offers assistance to support new businesses, expand existing ones, create jobs, and divert waste from landfills. Businesses located in a Recycling Market Development Zone that use materials in the waste stream to manufacture their products have a variety of assistance available, including low interest loans, technical assistance, and free product marketing. The zones cover roughly 71,790 square miles of California from the Oregon border to San Diego. More information on the program can be found at:

www.ciwmb.ca.gov/RMDZ/AllZones.asp

Empowerment Zones

Federal tax law that authorizes the issuance Empowerment Zone Bonds (EZ Bonds) by the California Industrial Development Financing Advisory Commission. The EZ Bond Program is intended to augment the benefits of the Industrial Development Bond (IDB) Program by providing additional support for economic development to the most distressed communities in California. The EZ Bond Program expands the eligibility of the state IDB Program to manufacturers, retailers, and any service business that operates in a federal Empowerment Zone. There are currently four federal Empowerment Zones in California – Los Angeles, Santa Ana, San Diego, and an unincorporated section of Riverside County. Federal Empowerment Zones are designated based on high unemployment and poverty rates. More information may be found at:

<http://www.rurdev.usda.gov/rbs/ezec/> and <http://www.treasurer.ca.gov/cidfac>.

California Main Street Program

The California Main Street Program, administered by the State Office of Historic Preservation, was re-enacted in 2004 through SB 1107, Chapter X, Statutes of 2004. Originally administered through the now defunct Technology, Trade and Commerce Agency, the program now operates without a specific budget augmentation. The Main Street Program was developed by National Trust for Historic Preservation's National Main Street Center to provide technical assistance and training for small cities and communities to enhance the economic revitalization and development of traditional

central business districts and neighborhoods. California has 58 Main Street Program participants including cities such as Arcata, Oceanside, Salinas, Hanford, Grass Valley and San Diego. For more information, contact the Office of Historic Preservation at www.ohp.parks.ca.gov.

Foreign Trade and Investment

California Business Investment Services (CalBIS)

Contained within the California Labor and Workforce Development Agency, CalBIS “serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion.” Among its services, CalBIS provides site selection services, information on international trade, workforce services, labor market data, and guides for businesses, including “California Investment Guide: an Overview of Advantages, Assistance, Taxes and Permits” and “Setting Up Business in California: a Guide for Investors.” More information may be found at: www.labor.ca.gov/calBIS/.

Centers for International Trade Development (CITD)

These centers are funded through the California Community Colleges, Economic and Workforce Development Program. With 14 centers in the state, each hosted by a local community college, the CITD assists companies in doing business abroad with technical assistance, market research, educational programs, and relationship-building opportunities. In addition, the CITD works closely with the California Commission on Jobs and Economic Growth, Small Business Development Centers, the U.S. Department of Commerce, chambers of commerce, business associations, and the California-Mexico Trade Assistance Centers. More information may be found at www.citd.org.

California-Mexico Trade Assistance Centers (CMTAC)

CMTAC has 18 centers throughout California to provide assistance for California companies to conduct business in Mexico. These centers have close ties to the Centers for International Trade Development (CITD), which are run through the California Community Colleges. Among its services, CMTAC provides technical assistance, trade data, trade missions to Mexico, hosted business events and conferences, and information on investment regulations and transportation logistics. More information may be found at: www.cmtac.org.

TradePort

This Internet Web site provides information and services to assist California businesses with global trade initiatives. TradePort was launched in 1996 with federal and state funding, is owned by the Bay Area Economic Forum and the Los Angeles Area Chamber of Commerce, and is managed by the Monterey Bay International Trade Association.

This Internet portal provides businesses with information on market research, export strategy, rules of trade, financing, logistics, and trade statistics. Also, TradePort has a network of affiliates, including service centers in the Bay Area, Los Angeles, Inland Empire, Fresno/Central Valley, Sacramento, and San Diego. The Internet address is www.tradeport.org.

Agricultural Export Program (AEP)

AEP, administered by the California Department of Food and Agriculture, was established to “assist California’s agricultural producers in foreign market development, leading to increased exports of our agricultural products.” Among its services, AEP supports trade shows, trade missions, foreign buyer visits, market research, and up-to-date education on international trade policies and regulations. More information may be found at: calagexports.com.

International Business Relations Program (IBRP)

IBRP, administered by the Office of the Secretary of State, provides information and assistance for out-of-state and foreign companies seeking to conduct business in California. Their services consist of assistance with filing and reporting requirements for conducting business primarily, but the program also provides access to information on California businesses, foreign consulates, foreign trade offices in California, and other general information about California companies and government. More information may be found at: www.ss.ca.gov/business/ibrp/ibrp.htm.

Energy Technology Export Program (ETEP)

ETEP, administered by the California Energy Commission, provides financial assistance to California-based companies conducting business on the international market, organizes trade missions, conducts visits by foreign energy decision makers, and provides energy market information. More information may be found at: www.globalenergyconnection.ca.gov.

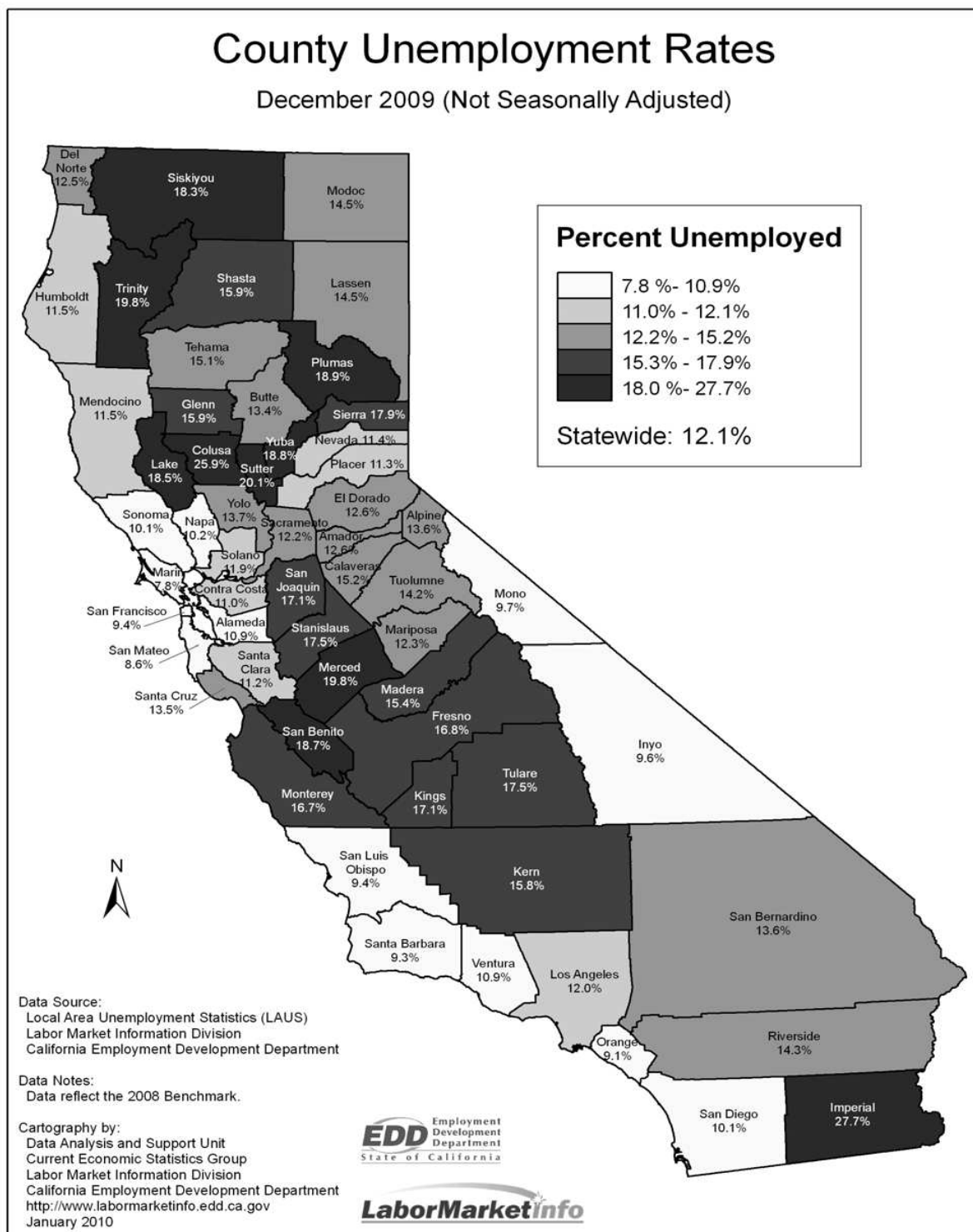
Foreign Trade Zones (FTZ)

FTZs are areas where goods may be imported without submitting to all U.S. Customs rules or tariffs and are intended to promote U.S. participation in trade and retain domestic employment that might otherwise go to foreign countries. These zones are established by the federal government with authorizing state statutes in the California Government Code (sections 6300 to 6305). California has 17 general purpose FTZs out of 234 zones in the U.S. More information may be found at: www.labor.ca.gov/calBIS/cbforeigntradezones.pdf and www.cbp.gov/xp/cgov/import/cargo_control/ftz/.

World Trade Centers (WTC)

Part of the network of 282 WTCs throughout the world, California houses 10 WTCs. These organizations are intended to promote international trade and business relations and provide a range of services, including research and information, educational programs, and business networking opportunities. The WTCs serve as a “one-stop shopping center” for international business. California's WTCs are in the following areas: Bay Area, Baja California/Greater Tijuana, Long Beach, Los Angeles, Orange County, Oxnard, Palm Springs, Sacramento, San Diego, and San Francisco. More information can be found at: world.wtca.org.

Appendix E



Appendix F

California Economic Strategy Panel Regions



Appendix G

Veteran Job Preferences

Most veterans are eligible for some type of veteran job preference when applying for federal jobs, state and local government jobs. These preferences are also extended to military spouses and widows of deceased veterans in certain circumstances. The current federal veterans' preferences comes from the Veterans Preference Act of 1944, as amended, and now codified in Title 5, United States Code, which states, "by law, veterans who are disabled or who served on active duty in the U.S. armed forces during certain specified time periods or in military campaigns are entitled to preference over others when hiring from competitive lists of eligible candidates."

In general, there are two types of preference points given. Under the first system, a veteran receives an additional five points on a passing examination score or rating, if the veteran has served in any one of the following:

- During a war;
- During the period April 28, 1952 through July 1, 1955;
- For more than 180 consecutive days, other than for training, any part of which occurred after January 31, 1955, and before October 15, 1976;
- During the Gulf War from August 2, 1990, through January 2, 1992;
- For more than 180 consecutive days, other than for training, any part of which occurred during the period beginning September 11, 2001, and ending on the date prescribed by Presidential proclamation or by law as the last day of Operation Iraqi Freedom; or
- In a campaign or expedition for which a campaign medal has been authorized. Any Armed Forces Expeditionary medal or campaign badge, including El Salvador, Lebanon, Grenada, Panama, Southwest Asia, Somalia, and Haiti, qualifies for preference.

Under the second system, 10 points are added to the passing examination score of:

- A veteran who served any time and who (1) has a present service- connected disability or (2) is receiving compensation, disability retirement benefits, or pension from the military or the Department of Veterans Affairs. Individuals who received a Purple Heart qualify as disabled veterans.
- An unmarried spouse of certain deceased veterans, a spouse of a veteran unable to work because of a service-connected disability, or

- A mother of a veteran who died in service or who is permanently and totally disabled.

In addition to the requirements above, the veteran must meet these three additional requirements before receiving a veteran hiring preference:

- A veteran must be discharged under honorable conditions.
- Recent changes in Title 5 clarify veterans' preference eligibility criteria for National Guard and Reserve service members, i.e., "Veterans eligible for preference include National Guard and Reserve service members who served on active duty (as defined by Title 38) at any time in the armed forces for a period of more than 180 consecutive days, any part of which occurred during the period beginning on September 11, 2001, and ending on the date prescribed by Presidential proclamation or by law as the last date of Operation Iraqi Freedom (OIF)."
- Any Armed Forces Expeditionary Medal or Campaign Badge qualifies for preference." However, medal holders must have served continuously for 24 months or the full period called or ordered to active duty. As of December 2005, veterans who received the Global War on Terrorism Expeditionary Medal are entitled to veteran's preference if otherwise eligible.

Appendix H

The Texas Veterans Commission: One States Response to Poor Program Performance

California, Texas and Florida have the highest veteran population in the U.S. While California has struggled to serve its veterans, Florida and Texas have developed programs that help veterans access more federal benefits and obtain jobs. This appendix provides background on the Texas reforms of 2006.

Texas Responds to Poor Performance

In 2005, the Texas veteran workforce program ranked 32nd in the nation in veteran employment and retention. The following year, legislation was passed to transfer the program from the Texas Workforce Commission (TWC) to the Texas Veterans Commission (TVC). Today, Texas is considered to have one of the strongest veteran workforce and job training programs in the nation ranking 86% in veteran employment retention, according to the DOL-VET's, "Performance Outcomes by State" quarterly report ending June 30, 2009.

Texas' prior poor performance was attributed to a lack focus and limited ability to provide direct assistance to unemployed veterans. The veteran representatives at the Texas One Stops served a variety of client groups including veterans. Once the workforce programs were transferred, the TVC convened a veteran stakeholder focus group to develop clear performance standards and reporting requirements to help guide the program. In addition, the veteran representatives at the One Stops were directed to exclusively serve veterans as guided by the newly established standards.

Outcomes

By the End of 2007 Texas' rankings in the Veteran Employment Retention report had risen from 32% to 86%, 11th best state program in the nation.

In 2007 Texas had increased the percentage of veterans receiving benefits to 16.1%, as compared to the 12.3% of California veterans who receive benefits. There are approximately 1.7 million Texas veterans, of those 273,852 were receiving compensation or pensions, as opposed to California with 2.1 million veterans and only 258,923 receiving compensation or pensions. Below is a chart that gives a more comprehensive comparison of benefits from the top seven most veteran populated states.

States with Highest Veteran Populations Expenditures for Compensation and Benefits					
	States	Veteran Population	Receiving Compensation or Benefits	Average Compensation or Benefit Payment	Compensation & Pension Recipients per 1000Veterans

1	Texas	1,797,365	273,852	\$1,883	\$160.39
2	Florida	1,746,539	248,905	\$1,578	\$142.51
3	California	2,131,939	258,923	\$1,327	\$121.45
4	New York	1,065,749	119,373	\$1,178	\$112.01
5	Pennsylvania	1,057,073	107,516	\$1,104	\$101.71
6	Ohio	957,889	102,775	\$1,075	\$107.29
7	Illinois	841,679	74,821	\$875	\$88.89
Source: US Department of Veterans Affairs: Veterans Benefits Administration Office of Performance Analysis and Integrity.					

History

Local veterans groups (American Legion and Veterans of Foreign Wars) were unhappy with the low percentage of services veterans were receiving. In 2005, a veteran sponsored House Bill 2604 (Guillen) was introduced to require the transfer of the DVOP/LVER programs to the Texas Veterans Commission (TVC) from the Texas Workforce Commission (TWC) by October 1, 2006.

In requiring the transfer of the program, the bill also required the establishment of a transition team to help guide the process. Members of the transition team included representatives from state agencies and local veteran organizations. The details of the transfer were negotiated between the TWC and the TVC and documented through a memorandum of understanding including the process for transferring of all powers, duties, obligations, rights, contracts, leases, records, employees, real or personal property, and unspent and un-obligated funds that were necessary to the transfer of the veterans programs. HR 2604 was signed on June 18, 2005.

Following enactment of the legislation, the TVC petitioned for approval of the new administrative structure from the federal Department of Labor – Veterans Employment Training (DOL-VET) program. After months of negotiations the DOL-VET program approved the transfer under two conditions:

1. The Local Veterans' Employment Representative (LVER) must continue to provide quarterly reports to One Stop Career Center managers; and
2. Disabled Veteran Outreach Program (DVOP) and LVER staff must remain integrated as part of the One-Stop Career Center system.

The TWC and TVC agreed to the conditions and a transition team set a target date of April 1, 2006 for the transfer.

The core DVOP/LVER performance standards were developed by the TVC in consultation with a specially established focus group comprised of DVOP/LVER staff. The performance standards included reporting and tracking the number of veterans who entered employment, monthly updates on individual veterans case management, job development activities and outreach.

By the End of 2007 Texas' rankings in the Veteran Employment Retention report had risen from X% to 86%, 11th best state program in the nation. Texas made this impressive improvements in its veteran workforce development services with 190 DVOP/LVER staff in 90 One Stops.

Glossary of Terms

Abbreviations

AG: Adjutant General

BTH: Business Transportation and Housing Agency

BRAC: Base Realignment and Closure

CACVSO: California Association of County Veterans Service Officers, Inc.

CAEZ: California Association of Enterprise Zones

CalBIS: California Business Investment Services

CalED: California Association for Local Economic Development

CALGOLD: California Government Online to Desktops

CalOHI: California Office of HIPPA Implementation

CALWORKS: The California Work Opportunity and Responsibility to Kids Program

CCMH: California State Military Museum

CDFI: Community Development Financial Institution

CDVA: California Department of Veterans Affairs

CEDP: California Economic Development Partnership

CVB: California Veterans Board

CVSO: County Veterans Service Officers

DGS: Department of General Services

DVBE: Disabled Veteran Owned Business Enterprise

DVBE Advisory Council: Disabled Veteran Owned Business Enterprise Advisory
Council

EDC: Economic Development Corporation

EDD: Employment Development Department

EDM: Emerging Domestic Markets

ETP: Employment Training Panel

EZ: Enterprise Zone

FDI: Foreign Direct Investment

G-TEDA: Geographically-Targeted Economic Development Area

HCD: Department of Housing and Community Development

HIPPA: Health Insurance Portability and Accountability Act of 1996

I-BANK: Infrastructure and Economic Development Bank

JEDE: Jobs, Economic Development and the Economy Committee

JTPA: Job Training Partnership Act

LAMBRA: Local Agency Military Base Recovery Area

MASA: Military and Aerospace Support Act

MEA: Manufacturing Enhancement Area

MOU: Memorandum of Understanding

OES: Office of Emergency Services

OHS: California Office of Homeland Security

OSBA: Office of Small Business Administration

ROI: Return on Investment

SBE: Small Business Enterprise

SBLGP: Small Business Loan Guarantee Program

S/C: Service-connected (disabled or deceased)

TEA: Targeted Employment Area

TTA: Targeted Tax Area

UCMJ: Uniform Code of Military Justice

USDVA: United States Department of Veteran's Affairs

VAB: Veteran's Advisory Board

VA: United States Department of Veteran's Affairs

WIA: Workforce Investment Act

WIB: Workforce Investment Board

Definitions:

ADJUTANT GENERAL (AG): The AG serves as Director of the State of California's Military Department and leads the largest National Guard force in the United States, with an authorized strength of 18,000 Army National Guard and 4,900 Air National Guard members. Brigadier General Mary J. Kight is the 45th Adjutant General for the California National Guard, appointed by Governor Arnold Schwarzenegger on February 2, 2010.

BASE REALIGNMENT AND CLOSURE (BRAC): Between 1988 and 1995 the federal Base Realignment and Closure Commission closed nearly a hundred bases and realigned over three hundred others, affecting not only soldiers but the communities which housed these bases. US military base closure is governed by a highly regularized process called BRAC.

BUSINESS TRANSPORTATION AND HOUSING AGENCY (BTH): BTH oversees the activities of 13 departments consisting of more than 42,000 employees, a budget greater than \$11 billion, plus several economic development programs and commissions. Its operations address financial services, transportation, affordable housing, real estate, managed health care plans and public safety.

CALIFORNIA ASSOCIATION OF ENTERPRISE ZONES (CAEZ): Non-profit organization that lobbies on behalf of Enterprise Zones and works to foster economic development within those zones.

COUNTY VETERANS SERVICE OFFICERS, INC. (CVSO): CACVSO is a nonprofit educational and professional organization for California's Veterans Service Officers. CACVSO works cooperatively with organizations serving veterans and offering social service benefits, including the U.S. Department of Veterans Affairs, the

California Department of Veterans Affairs, USDVA Medical Facilities, the California Employment Development Department, County and State Mental Health Departments, County Social Services Department and the Small Business Administration.

CALIFORNIA BUSINESS INVESTMENT SERVICES (CalBIS): Housed in the Labor and Workforce Development Agency, CalBIS serves employers, corporate real estate executives, and site location consultants considering California for new business investment and expansion.

CALIFORNIA ASSOCIATION FOR LOCAL ECONOMIC DEVELOPMENT (CaLED): CALED is a statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development.

CALIFORNIA DEPARTMENT OF VETERAN'S AFFAIRS (CDVA): The mission of the CDVA is to serve these veterans and their families, and it generally organizes its efforts into three divisions—the Veterans Homes division (Veterans Homes), the CalVet Home Loan program (CalVet program), and the Veterans Services division (Veterans Services). The department receives funding from various sources, including the State's General Fund, federal funds, and special funds, and spends approximately 98 percent of the funding that it receives on its Veterans Homes and CalVet program.

CALIFORNIA GOVERNMENT ONLINE TO DESKTOPS (CalGOLD): The CalGOLD database provides links and contact information that direct businesses to agencies that administer and issue business permits, licenses and registration requirements from all levels of government. The CalGold listings include descriptions of the requirements, the names, addresses, and telephone numbers of the agencies that administer those requirements and issue the permits and licenses, and in most cases a direct link to the agencies' Internet web pages.

CALIFORNIA OFFICE OF HIPPA IMPLEMENTATION (CalOHI): CalOHI is the state office that oversees the implementation of HIPPA, the federal standards that govern the operation of federally reimbursed health care systems.

CALIFORNIA OFFICE OF HOMELAND SECURITY (OHS): The OHS is part of the California Emergency Management Agency. OHS is comprised of four divisions: the Office of Infrastructure Protections; the Homeland Security Training Branch; Information Analysis, Watch and Warning Division; and the Grants Division.

CALIFORNIA STATE MILITARY MUSEUM (CCMH): Authorized by the Legislature in 1981, established in 1983, and received tax-exempt status in 1988. Located in Old Sacramento, the museum was dedicated to preserving and promoting all facets of California's military history. The museum is certified by the United states

Army Center for Military History and is taking steps to affiliate with the Air Force Museum system, as well as with other branches of the Armed Forces.

CALIFORNIA VETERANS BOARD (CVB): The CVB serves as an advocate for veterans by identifying their needs to the California Department of Veterans Affairs. The CVB further advocates on issues relating to the enhancement and protection of the rights and benefits of California Veterans and their dependents. The Board consists of seven members appointed by the Governor, subject to the confirmation of the State Senate. All CVB members are required to be veterans. The Board annually reports to the Legislature. Beyond its role as an advocate, the CVB hears benefits appeals brought by veterans, including the appeals relating to the denial of a home loan, student waiver, or admission to a veterans home.

CALIFORNIA WORK OPPORTUNITY AND RESPONSIBILITY TO KIDS PROGRAM (CALWORKS): Provides temporary financial assistance and employment focused services to families with minor children who have income and property below State maximum limits for their family size. Most able-bodied aided parents are also required to participate in the CalWORKs GAIN employment services program.

CALIFORNIA ECONOMIC DEVELOPMENT PARTNERSHIP (CEDP): The CEDP was formed by Governor Schwarzenegger in 2005 as an interagency team to coordinate state government economic development activities. It seeks seamless coordination between the state, regional/local economic development organizations, and public/private resources for the retention, expansion and attraction of jobs in California.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION (CDFI): Nationwide, over 1000 CDFIs serve economically distressed communities by providing credit, capital and financial services that are often unavailable from mainstream financial institutions. CDFIs have loaned and invested in distressed communities. Their loans and investments have leveraged billions more dollars from the private sector for development activities in low wealth communities across the nation. California offers tax credits for investments in CDFIs under the Insurance Tax Law, as well as under the Personal and Corporate Income Tax Laws.

COUNTY VETERANS SERVICE OFFICERS (CVSO): The CVSO is professional veteran advocate, who often serves as the initial contact for veteran services within a community. The CVSO assists both veterans and their families.

DEPARTMENT OF GENERAL SERVICES (DGS): The department consists of six divisions, 23 operational offices, 4,000 employees and a budget in excess of half a billion dollars. Its functions include e-commerce and telecommunications; siting, acquisition, development, leasing, disposal and management of state properties; architectural approval of local schools and other state-responsibility buildings; printing services provided by the second largest government printing plant in the U.S.; procurement of supplies needed by other state agencies; and maintenance of the vast fleet of state vehicles. The director serves on half a dozen state boards and commissions.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD):

HCD is one of 13 departments within BTH. As California's principal housing agency, the mission of HCD is to provide leadership, policies and programs to expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians. HCD is responsible for oversight of California's G-TEDA programs.

DISABLED VETERAN OWNED BUSINESS ENTERPRISE (DVBE): Certified DVBEs that meet eligibility requirements are eligible to receive bid preferences on state contracts.

DISABLED VETERAN BUSINESS ENTERPRISE ADVISORY COUNCIL (DVBE ADVISORY COUNCIL): The purpose of the DVBE Advisory Council, sponsored through the California Department of Veterans Affairs, is to establish a forum for the DVBE community to provide advice, recommendations, and feedback on state policies and practices that affect disabled veteran business utilization and participation in state agency contracting. The role of the Council is advisory only.

ECONOMIC DEVELOPMENT CORPORATION (EDC): Locally based corporations whose mission is to promote investment and economic growth in their region.

ECONOMIC STRATEGY PANEL: The Economic Strategy Panel was established in 1993 to develop an overall economic vision and strategy to guide public policy. The Panel engages in an objective and collaborative biennial planning process that examines economic regions, industry clusters, and cross-regional economic issues. The California Regional Economies Project is currently the lead mechanism for these efforts.

EMPLOYMENT DEVELOPMENT DEPARTMENT (EDD): EDD offers a wide variety of services under the Job Service, Unemployment Insurance, Disability Insurance, Workforce Investment, and Labor Market Information programs. As California's largest tax collection agency, EDD also handles the audit and collection of payroll taxes and maintains employment records for more than 17 million California workers.

EMERGING DOMESTIC MARKETS (EDM): The term "emerging domestic markets" refers to people, places, or businesses with growth potential, which have historically faced systemic capital constraints. The demographics of emerging domestic markets include ethnic- and women-owned firms, urban and rural communities, companies which serve low- to moderate-income populations, and other small- and medium-sized businesses.

EMPLOYMENT TRAINING PANEL (ETP): ETP is a California State agency established in 1983 and is designed to fund training that meets the needs of employers for skilled workers and the need of workers for long-term jobs. The program funds the retraining of incumbent, frontline workers in companies challenged by out-of-state competition. ETP also funds training for unemployed workers, and prioritizes small

businesses, and employers and workers in high unemployment areas of the State. ETP is funded by a tax on business.

ENTERPRISE ZONE (EZ): Geographically-based economic incentive areas in California that provide regulatory or tax benefits to businesses. There are 42 Enterprise Zones in California.

GEOGRAPHICALLY TARGETED ECONOMIC DEVELOPMENT AREA (G-TEDA): A generic term for all geographically-based economic incentive areas in California, including TTAs, LAMBRAs, EZs, and MEAs.

HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996 (HIPPA): Signed into federal law in 1996 (Public Law 104-191), HIPPA is intended to improve the efficiency and effectiveness of the health care system through the establishment of standards and requires for the electronic transmission of certain health information by combating fraud, waste, and abuse and by establishing security and privacy standards.

INFRASTRUCTURE AND ECONOMIC DEVELOPMENT BANK (I-BANK): The I-Bank is a state financing authority that provides low-cost financing to public agencies, manufacturing companies, nonprofit organizations and other entities eligible for tax-exempt financing. Since January 1, 1999, the I-Bank has financed more than \$6.5 billion in tax-exempt bonds and loans for economic development and public infrastructure projects throughout the state.

JOB TRAINING PARTNERSHIP ACT (JTPA): JTPA is a federal law that authorizes and funds a number of employment and training programs in California. JTPA's primary purpose is to establish programs to provide job training services for economically disadvantaged adults and youth, dislocated workers and others who face significant employment barriers. These programs help prepare individuals in California for participation in the state's workforce, increasing their employment and earnings potential, improving their educational and occupational skills and reducing their dependency on welfare.

LOCAL AGENCY MILITARY BASE RECOVERY AREA (LAMBRA): A LAMBRA is an area located in California that is designated as such by the Business, Transportation and Housing Agency. LAMBRAs are established to stimulate growth and development in areas that experience military base closures. Taxpayers investing, operating, or located within a LAMBRA may qualify for special tax incentives. There are currently eight LAMBRAs: Southern California International Airport, Castle Air Force Base, Mare Island Naval Base, San Bernardino International Airport and Trade Center, Alameda Naval Air Station, Mather Field/McClellan Park, Liberty Station, and Tustin Marine Corps Air Station.

MANUFACTURING ENHANCEMENT AREA (MEA): Incentives available to businesses located in an MEA are streamlining local regulatory controls, reduced local

permitting fees and eligibility to earn \$29,234 or more in state tax credits for each qualified employee hired. All manufacturing businesses that are engaged in those lines of business described in Codes 2011 to 3999, inclusive, of the Standard Industrial Classification (SIC) and are located in the MEA are eligible for program benefits. There are 2 MEAs located in California. They are the Cities of Brawley and Calexico, Both communities are located in Imperial County. An MEA designation expires on December 31, 2012.

MICROBUSINESS: A business that was started with less than \$35,000 in equity, and has fewer than five employees.

MILITARY AND AEROSPACE SUPPORT ACT (MASA): Established the Office of Military and Aerospace Support, located in the Business, Transportation and Housing Agency, which has numerous duties of which the main focus is development and implementation of a strategic plan to keep military bases in the state. The office is also charged with assisting communities with the conversion of military bases closed or realigned during prior or recent BRAC rounds. Authority for the Office, but not the MASA, sunsetted on January 1, 2009.

NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS): The North American Industry Classification System (NAICS) has replaced the U.S. Standard Industrial Classification (SIC) system. NAICS was developed jointly by the U.S., Canada, and Mexico to provide new comparability in statistics about business activity across North America. The NAICS and SIC manuals provide code numbers for every industry. These codes are frequently used in legislation to identify industries, especially those benefiting from certain tax legislation like the Manufacturers Investment Credit (MIC).

OFFICE OF EMERGENCY SERVICES (OES): The Governor's Office of Emergency Services coordinates overall state agency response to major disasters in support of local government. The office is responsible for assuring the state's readiness to respond to and recover from natural, manmade, and war-caused emergencies, and for assisting local governments in their emergency preparedness, response and recovery efforts.

OFFICE OF SMALL BUSINESS ADMINISTRATION (OSBA): Since its founding on July 30, 1953, the U.S. Small Business Administration has delivered about 20 million loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses.

SMALL BUSINESS ENTERPRISE (SBE): A business with 100 or fewer employees, and an average annual gross receipts of \$10 million or less over the previous three tax years, or a manufacturer with 100 or fewer employees. SBEs are eligible to receive a 5% bid preference on state contracts.

SMALL BUSINESS LOAN GUARANTEE PROGRAM (SBLGP): The state Small Business Loan Guarantee Program (SBLGP) provides guarantees on bank loans to small businesses that would otherwise not be made. A network of 11 Small Business Financial Development Corporations - working closely with small business borrowers and local community banks - issues the guarantees on behalf of the state. The guarantees are backed by a trust fund that can be leveraged four times. The state currently guarantees more than \$276 million in outstanding loans.

SPECIAL FUND FOR ECONOMIC UNCERTAINTIES: A fund in the General Fund (a similar reserve is included in each special fund) authorized to be established by statutes and Budget Act control sections to provide for emergency situations. (GC 16418)

TARGETED EMPLOYMENT AREA (TEA): One of many options to voucher an employee, TEAs allow residents of certain designated low-income areas to qualify Enterprise Zone employers for substantial hiring credits.

TARGETED TAX AREA (TTA): The Tulare TTA is a program very similar to Enterprise Zones. TTA offers incentives that are only available to companies located in the Tulare TTA and engaged in a trade or business within certain Standard Industrial Codes. State incentives include tax credits for sales and use taxes paid on certain machinery, machinery parts, and equipment; tax credits for hiring qualified employees; and a fifteen year net operating loss carry-forward.

UNITED STATES DEPARTMENT OF VETERANS' AFFAIRS (USDVA): The USDVA, also known as the VA, is the United States government's second largest department, after the United States Department of Defense, whose primary mission is to administer the military veteran benefit system. With a total 2009 budget of about \$87.6 billion, VA employs nearly 280,000 people at hundreds of Veterans Affairs medical facilities, clinics, and benefits offices and is responsible for administering programs of veterans' benefits for veterans, their families, and survivors. The benefits provided include disability compensation, pension, education, home loans, life insurance, vocational rehabilitation, survivors' benefits, medical benefits and burial benefits.

UNIFORM CODE OF MILITARY JUSTICE (UCMJ): A comprehensive federal statute enacted by Congress in May 1950 to establish procedures, policies, and penalties for the military justice system. The UCMJ replaced the traditional system known as the Articles of War, which governed the conduct of military personnel from 1775 to the UCMJ's passage in 1950. The UCMJ more closely aligned military justice procedure with civilian federal procedure, though it delegated to the president the authority to modify rules of evidence and other procedures. In 1951, President Harry Truman issued his *Manual for Courts-Martial*, which directs military courts on the implementation of the UCMJ. In many of its aspects, the UCMJ is significantly more restrictive than civilian law. For example, the UCMJ restricts the First Amendment right of free speech and more closely regulates the sexual behavior of military members.

WORKFORCE INVESTMENT ACT (WIA): The federal WIA, which superseded the Job Training Partnership Act, offers a comprehensive range of workforce development activities through statewide and local organizations. Available workforce development activities provided in local communities can benefit job seekers, laid off workers, youth, incumbent workers, new entrants to the workforce, veterans, persons with disabilities, and employers. The purpose of these activities is to promote an increase in the employment, job retention, earnings, and occupational skills improvement by participants. California will receive approximately \$454 million from the federal government FY 2009/10 to provide services for adults, laid-off workers, and youth.

WORKFORCE INVESTMENT BOARD (WIB): The Governor has appointed a State WIB consisting primarily of representatives from businesses, labor organizations, educational institutions, and community organizations. The State WIB assists the Governor in designing a statewide plan and establishing appropriate program policy.

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