IX. State Legislation and Policy Supporting the Strategic Workforce Development Plan

Significant work has been done at the state level in the combined policy area of workforce development, skills training, employment services, and layoff response. While not exhaustive, below is a compendium of legislation and policy directed toward establishing a more proactive, integrated, industry-sector driven, and ultimately more effective workforce investment system in California. The policies below support the Governor’s emphasis in the State Strategic Workforce Development plan on high-quality workforce services, especially skills training and retraining for unemployed, underemployed, and disadvantaged Californians.

State Legislation

High-Performance Local Board Standards (SB 698, Statutes of 2011)

SB 698 amended the Workforce Training Act to require the Governor to establish, through the State Board, standards for certification of “high-performance” Local Boards, in accordance with specified criteria. The Governor and the Legislature, in consultation with the State Board, are also required to reserve specified federal discretionary funds for “high-performance” Local Boards. The State Board is required to establish a policy for the allocation of those funds to those Local Boards.

http://www.leginfo.ca.gov/pub/11-12/bill/sen/sb_0651-0700/sb_698_bill_20111006_chaptered.html

Investment in Industry-Valued Skills Training (SB 734, Statutes of 2011)

SB 734 amended the Workforce Training Act to require Local Boards to spend at least 25 percent of their Adult and Dislocated Worker funds on training services beginning July 1, 2012. This minimum training expenditure requirement increases to 30 percent on July 1, 2016. The purpose of SB 734 is to establish minimum training investment levels for Local Boards in support of the data-driven, sector-based strategic investment activities identified in the State Strategic Workforce Development Plan. The SB 734 policy guidance is in EDD directive WSD11-9 (http://edd.ca.gov/Jobs_and_Training/pubs/wsd11-9.pdf).
Connecting WIA to Approved Apprenticeship Programs (AB 554, Statutes of 2011)

AB 554 requires the State Board and each Local Board to ensure that programs and services funded by WIA and directed to apprenticeable occupations, including pre-apprenticeship training, are conducted in coordination with one or more apprenticeship programs approved by the DIR-DAS for the occupation and geographic area (The State Board will also address coordination with DOLETA RAPs). AB 554 also requires the State Board and each Local Board to develop a policy of fostering collaboration between community colleges and approved apprenticeship programs in their geographic area to provide pre-apprenticeship training, apprenticeship training, and continuing education in apprenticeable occupations through the approved apprenticeship programs.

http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0551-0600/ab_554_bill_20111006_chaptered.html

California’s Green Collar Jobs Act (AB 3018, Statutes of 2008)

Enacted in 2008, the Green Collar Jobs Act requires the State Board to adopt an industry sector-based approach as the framework for developing a comprehensive array of programs, strategies, and resources to address the state's growing green economy. The legislation also established the GCJC as a permanent special committee of the State Board. The GCJC is charged with developing and updating at least annually a “strategic initiative” framework focused on addressing the skills demands of the emerging green economy and the “greening” of existing sectors including construction, manufacturing, transportation, and utilities. With climate legislation and regulation impacting California industry and jobs, and an accelerated movement toward energy efficiency and renewables, the framework must address funding, strategies, programs, policies, and partnerships for preparing workers for “green” jobs and preparing firms to compete in a greening economy.

http://www.leginfo.ca.gov/pub/07-08/bill/asm/ab_3001-3050/ab_3018_bill_20080926_chaptered.html

California Workforce Training Act (SB 293, Statutes of 2006)

Enacted in 2006, the Workforce Training Act requires the State Board, in collaboration with state and local partners, to develop a State Strategic Workforce Development Plan to serve as a framework for the public policy, fiscal investment, and operation of all state labor exchange, workforce education, and training programs. This State Strategic Workforce Development Plan also serves as the framework for the Integrated State Plan required by the WIA.
http://www.leginfo.ca.gov/pub/05-06/bill/sen/sb_0251-0300/sb_293_bill_20060929_chaptered.html

Labor Representation on Local Boards (SB 293, Statutes of 2006, SB 302, Statutes of 2008)

By federal law, Local Boards are required to have labor representation. Recognizing the value of unions in building effective demand-driven workforce training programs, California went beyond federal law by requiring that each Local Board have 15 percent labor representation, with an emphasis on those connected to union apprenticeship programs. Labor representatives must be appointed from nominations provided through a local central labor council affiliated with the California Labor Federation or a local building and construction trades council affiliated with the State Building and Construction Trades Council. Local Board labor representatives are the conduit and means for systemically connecting the public workforce system to the valuable and innovative workforce development strategies established by industry-based labor management partnerships. The SB 293 labor representation policy guidance is in EDD directive WIAD06-21.

Sector-Based Community College Training (SB 1402, Statutes of 2012)

SB 1402 recast and revised the provisions governing the CCCs’ Economic and Workforce Development (EWD) Program. Specifically, this legislation extended the sunset on the EWD program from January 1, 2013, to January 1, 2018 and requires the EWD program to:

- Be responsive to the needs of employers, workers, and students;
- Collaborate with other public institutions, aligning resources to foster cooperation across workforce education and service delivery systems, and building well-articulated career pathways;
- Make data driven and evidence based decisions, investing resources and adopting practices on the basis of what works;
- Develop strong partnerships with the private sector, ensuring industry involvement in needs assessment, planning, and program evaluation;
- Be outcome oriented and accountable, measuring results for program participants, including students, employers, and workers;
- Be accessible to employers, workers, and students who may benefit from its operation; and
- Update the mission of the EWD program to reflect the need to implement sector strategies that align with labor markets.
California UI Training Benefits Program (AB 2058, Statutes of 2010)

The California Training Benefit (CTB) program allows eligible UI claimants who lack competitive job skills to receive their UI benefits while attending a training or retraining program. Under the CTB program, the traditional role of UI changes from that of partial wage replacement while the individual looks for work to one of assisting the individual in training or retraining in an effort to return to full employment.

Unemployment Benefits: Re-Training and Teacher Credentialing (SB 1291, Statutes of 2012)

Beginning January 2014, permanent or probationary public school teachers who have been laid off and who participate in a training program to obtain certification in math, science or special education are permitted to receive additional UI benefits through the CTB Program.

California Worker Adjustment and Retraining Notification (WARN) (AB 2957, Statutes of 2002)

WARN provides protection to employees, their families, and communities by requiring employers to give affected employees and other state and local representatives notice 60-days in advance of a plant closing or mass layoff. Advance notice provides employees and their families some transition time to adjust to the prospective loss of employment, to seek and obtain alternative jobs and, if necessary, to enter skills training or retraining that will allow these employees to successfully compete in the job market.
California UI Work Sharing (SB 1471, Statutes of 1978)

California’s Work Sharing program was the first program of its kind in the nation. UI Work Sharing allows for the payment of UI benefits to individuals whose wages and hours have been reduced. The program is considered an alternative to layoffs. The objective of the program is to help employers and employees avoid some of the burdens that accompany a layoff situation. If employees are retained during a slowdown, employers can quickly gear up when business conditions improve. Employers are spared the expense of recruiting, hiring, and training new employees. Employees are spared the hardship of total unemployment.

Policy Enacted Administratively

Local/Regional Strategic Planning

WIA Section 118 requires each Local Board to submit a Local Plan to the State Board. The Local Plan must reflect the Governor’s vision outlined in the State Strategic Workforce Development Plan and identify local and regional strategies to achieve the State Strategic Workforce Development Plan’s goals and objectives.

The State Board releases planning instructions and partners with EDD Regional Advisors to provide technical assistance to Local Board administrators and staff responsible for developing the Local Plan. EDD Regional Advisors assist the State Board in the review and approval of the Local Plans as well as with negotiations of Local Board performance level targets.

In order to minimize duplication of effort, Local Boards are encouraged to pool resources regionally to share the cost and workload of their strategic planning. The Strategic Workforce Development Plan promotes regional partnerships, system coordination and the integration of resources and funding streams around target industry sectors and clusters. This regional planning model was successfully piloted through the State Board’s American Recovery and Reinvestment Act (ARRA)-funded sector strategy grant programs such as the Regional Industry Clusters of Opportunity, Clean Energy Workforce Training Partnership, and State Energy Sector Partnership.

Minimum WIA Performance Standards

In March 2012, the California State Auditor issued a report titled “Federal Workforce Investment Act: More effective State Planning and Oversight is Necessary to Better Help California’s Jobs Seekers Find Employment” (Refer to the following link for a full version of this report: [http://www.bsa.ca.gov/pdfs/reports/2011-111.pdf](http://www.bsa.ca.gov/pdfs/reports/2011-111.pdf)). In the report, the California State
Auditor urged the State Board to define quality services and evaluate system performance accordingly.

As stated in Chapter VI, the State Board will work with Local Boards, state-level partner agencies, and other stakeholders to develop additional performance indicators [as authorized in WIA Section 136(b)(2)(C)] beyond the WIA Common Measures. The intent is to develop measures focused on attainment of industry recognized credentials (consistent with DOLETA TEGL 15-10) and to integrate education and training investments among multiple federal and state programs and funding streams.

**Standards for High-Performance Local Boards**

In response to SB 698, [UI Code Section 14200(c)], the State Board convened a “High-Performance Policy Stakeholder Workgroup,” which brought together a cross-section of partners to develop standards and criteria to identify high-performance Local Boards. The resulting “High-Performance Local Board” standards serve as the core for state guidance to Local Boards for developing their Local Plans (See Appendix I - Interim “High-Performance” Local Workforce Investment Board Criteria and Evaluation Criteria for Local Plans and Local Board Certification).

Those Local Boards that comply with the minimum requirements of this guidance will be considered for Local Plan approval as well as Local Board recertification. Those Local Boards that exceed the minimum requirements promulgated in the high-performance standards will be considered for high-performance certification. Those Local Boards that do not meet the minimum requirements will receive further technical assistance from the State Board and EDD to correct shortfalls.

High-performance certification is a voluntary process. A Local Board must request consideration for high-performance certification at the time its Local Plan is submitted to the State Board. It is expected that this certification will provide a Local Board increased recognition, credibility, and visibility for its work.

**Local Board Recertification and Decertification**

The recertification process is an opportunity for the State Board to identify those Local Boards that are not meeting minimum standards and are in need of technical assistance. These Local Boards will receive a conditional recertification. Conditional recertification requires the development and approval of a Corrective Action Plan to ensure the Local Board is taking steps to address the identified deficiencies. A Local Board that continually violates state or federal law, or otherwise fails to carry out its functions as described in WIA Section 117, including submittal of a Local Plan to the Governor consistent with the State Strategic Workforce Development Plan (WIA Section 118), may receive notice for decertification. Local Boards that are meeting the minimum standards will be recertified for an additional two years, and those Local Boards that requested high-performance consideration and are meeting the high-performance standards will be certified as such for a two year period.

The State Board will work with Local Boards, stakeholders, and EDD to develop an updated recertification and decertification policy that reflects state and federal law, policy, and the Governor’s State Strategic Workforce Development Plan.

**LWIA Designation, Appeal and Modification**

The State Board is responsible for designation of LWIAs. California’s LWIA designation and modification policy is identified in EDD directive WIAD05-2 ([http://edd.ca.gov/Jobs_and_Training/pubs/wiad05-2.pdf](http://edd.ca.gov/Jobs_and_Training/pubs/wiad05-2.pdf)).

**Memorandums of Understanding and Cost Sharing Agreements**

To ensure system integration, universal access to WPA and WIA services, and shared responsibility for the support of the One-Stop system, Local Boards are required to develop Memorandums of Understanding (MOU) and Cost Sharing Agreements with One-Stop partners as required by Title I of WIA ([http://www.doleta.gov/usworkforce/onestop/partners.cfm](http://www.doleta.gov/usworkforce/onestop/partners.cfm)). These agreements define the roles and responsibilities of partners, identify joint planning for the provision of services to common customers, and ensure coordination of employer outreach and labor exchange. California’s current MOU policy is outlined in EDD directive WIA05-6 ([http://edd.ca.gov/Jobs_and_Training/pubs/wiad05-6.pdf](http://edd.ca.gov/Jobs_and_Training/pubs/wiad05-6.pdf)). The State Board will seek efficiencies and cost saving mechanisms for the operation of California’s One-Stop system, including greater integration as exemplified by the ISD model. The State Board will also work to ensure that WIA required partners make their services available to customers through the One-Stop system and share in the costs of One-Stop facilities and operations.
WIA 25 Percent Dislocated Worker Funds

As stated in Chapter IV, Adults Goal, Objective 5, the State Board will revise its Rapid Response policy to better support layoff aversion strategies, further emphasize information and services to help local officials anticipate economic trends and assist in the development of economic development strategies, and place greater emphasis on the utilization of TAA funds for dislocated workers affected by layoffs due to foreign competition (See Chapter X for TAA policy revisions).

WIA Section 134(a)(2)(A)(ii) authorizes the Governor to set aside up to twenty five percent (25%) of the State’s dislocated worker funds for California’s Rapid Response system and for Additional Assistance to dislocated workers in the local areas.

According to State Board policy, of the Dislocated Worker stream, half of the total funds are formula allocated as Rapid Response directly to Local Boards to prevent layoffs and/or assist workers facing impending layoff. The other half, Additional Assistance, stays in Sacramento. A Local Board can request Additional Assistance funds when it does not have other resources to serve increased numbers of unemployed individuals due to natural disasters, plant closings, mass layoffs “or other events.”

According to our regional office of the Department of Labor, “other events” should be broadly interpreted to allow the Governor maximum flexibility in investing Additional Assistance funds. Therefore, the State Board defines “other events” as:

“Any economic conditions, circumstances, trends, series or combination of events that resulted in the documented dislocation of a substantial number of individuals. Additional Assistance funding may be used flexibly so long as it meets the purpose of serving dislocated workers, and this includes activities that are designed to prevent layoffs.”

WIA 5 Percent Discretionary Fund Priorities

If appropriated by Congress, Governor’s WIA discretionary funding will support all four Strategic Workforce Plan Target Goals.

Congress has limited the amount Governors may set aside for the statewide employment and training activities specified in WIA Sections 134(a)(2)(B) and 134(a)(3) to 5 percent of Adult, Dislocated Worker and Youth formula funds. In California, these 5 percent funds suffice only to defray the costs of California’s WIA program administration. California will continue to seek waivers from DOLETA for the mandatory WIA activities as long as the discretionary funding remains at 5 percent.
If Congress allows Governors to set aside more than 5 percent of Adult, Dislocated Worker and Youth formula funds for the statewide employment and training activities specified in WIA Sections 134(a)(2)(B) and 134(a)(3), the State Board will recommend to the Governor and the Legislature that the additional funds be utilized in support of the State Strategic Workforce Development Plan priorities.

**Eligible Training Providers**

California’s current Eligible Training Provider List (ETPL) eligibility policy is identified in EDD directive [WIAD06-15](#). The State Board will work to ensure that all training providers on the ETPL adequately provide workers with the quality skills training needed to obtain long-term employment in their career of choice. To do this, the State Board, in consultation with state partners and Local Boards, will establish minimum statewide performance criteria and procedures for training providers on, or wishing to be on, the ETPL.

A joint letter from the Labor and Workforce Development Agency Secretary and DIR Director to the Local Board Directors and Chairs asking them to add DIR-DAS approved RAPs to the ETPL is located in Appendix N.

**Waivers for Multiple Training Modalities**

**Waiver for Incumbent Worker Training**

The State Board is requesting the DOLETA to renew the waiver that allows Local Boards to use up to 10 percent of local formula Adult funds and 10 percent of local formula Dislocated Worker funds for incumbent worker training, allowing them to respond better to local economic changes and serving employers and their employees who require training. By continuing this waiver, the Local Boards will be able to effectively market incumbent worker training to employers in target-industry sectors. This also provides an important incentive for employers to work with Local Boards and other regional partners to develop sector–based programs, skills training, and career pathways. Incumbent worker training also is an effective layoff aversion tool. It can reduce the risk of layoffs of employees who need skill upgrades and allow employers to create opportunities for new workers to take the place of existing workers who have moved up the career ladder.

A description of this waiver is located in Appendix D.
Focus on Customized Training for Small Business

WIA Section 101(8)(C) restricts the amount of funds to be used to provide customized training at 50 percent of the estimated training cost. Many small businesses find it difficult, if not impossible, to meet the full 50 percent match requirement. The State Board is requesting the DOLETA to renew the current waiver allowing a sliding scale to determine the employer’s matching requirement: 1) no less than 10 percent match for employers with 50 or fewer employees, and 2) no less than 25 percent match for employers with 51-250 employees. For employers with more than 250 employees, the 50 percent contribution continues to apply.

A description of this waiver is located in Appendix D.

Employer Reimbursement for On-the-Job Training

On-the-job training (OJT) provides unemployed adults and dislocated workers with opportunities to develop new skills and knowledge while they return to the workplace and earn wages to support themselves and their families. However, WIA Section 101(31)(B) restricts the amount of OJT wage reimbursement at 50 percent. The State Board is requesting the DOLETA to renew the current waiver allowing the use of local WIA funds for up to 90 percent reimbursement of the costs of OJT. Reimbursement is provided on a sliding scale based on employer size: up to 90 percent for employers with 50 or fewer employees; up to 75 percent for employers with 51 to 250 employees; for employers with 251 or more employees, reimbursement would remain at the 50 percent statutory level.

A description of this waiver is located in Appendix D.

One-Stop Integrated Service Delivery (ISD)

In July 2008, California implemented the Integrated Service Delivery Model (ISD) through 12 Local Area “Learning Labs.” The ISD model created a common pool of co-enrolled customers composed of WIA Adult and Dislocated Workers, Wagner-Peyser Act, long-term unemployed, Veterans, and TAA customers.

The State Board conducted an evaluation of the ISD model through California State University at Northridge (CSUN) and received the final evaluation report with recommendations in September 2011. The ISD evaluation reports and recommendations are located on the State Board’s website: http://www.cwib.ca.gov/resources_reports.htm.
The CSUN evaluation found that enrolling all participants increases the official count and improves WPA and WIA productivity. ISD also provides a uniform statewide method for measuring the volume of clients served and performance. It also allows for One-Stops to enroll and serve more individuals with many barriers who are hardest to serve and eliminates the disincentive to enroll hardest to serve individuals due to WIA common measure performance level requirements. The evaluation also found that the ISD Learning Lab pilots have tested new service delivery models that are consistent with the State Board’s continuous improvement priorities for California’s One-Stop system, which include maximizing the use of limited public resources and directing the savings into improved and expanded training services.

While the State Board has yet to determine whether or not to fully implement ISD, the State Board is committed to promoting continuous improvement by more effectively and efficiently integrating resources provided under the WPA and WIA Title I programs with UI, Veterans, and TAA programs.

**Branding and Marketing of the One-Stop System**

In 2010 the State Board committed to branding and marketing California’s One-Stop system. This commitment is reflected in the Strategic Workforce Development Plan’s System Alignment and Accountability Goal.

Currently, California’s workforce development system is not perceived or promoted as a network of partners with a shared common goal, but rather as individual entities. This misperception has been validated through numerous research and survey initiatives commissioned by the EDD with various audience groups, job seekers and businesses. To address this issue, in 2011 the State Board directed a workgroup be formed under the IPSC and charged the workgroup with the responsibility of developing a recommendation to develop an overarching outreach strategy and accompanying system identifier to raise awareness and recognition of this extensive workforce development system throughout California. The workgroup subsequently recommended and the State Board approved the “California Career and Business Network” system identifier.
In June, 2012 DOLETA issued [TEGL 36-11](#) announcing the “American Job Center” network, a unifying name and brand that identifies virtual and in-person publicly-funded workforce development services as part of a single network. In order to increase jobseeker and employer awareness of workforce development resources available across the country, the DOLETA issued [TEGL 21-11 Change 1](#) on August 8, 2012 requiring states to describe their plans for implementing the American Job Center brand and how the LWIBs will participate in the utilization of the brand as part of the Integrated State Plan.

The State Board, EDD and DOLETA participated in teleconferences to discuss opportunities for efficient implementation of the “American Job Center” national brand in California. The State Board and EDD have also continued to collaborate to develop and launch a web portal which will become the central point to connect and promote California’s entire workforce system under the proposed “America’s Job Center of California” brand and provide jobseekers and employers a central clearinghouse for information related to the workforce opportunities and services available to them across the state.

The State Board believes this initiative will better leverage the One-Stop system, improve outreach and communication with the employer community; improve outreach to the workforce and other state workforce agencies and local partners; and ultimately better fulfill its vision to offer Californians lifelong opportunities to maximize their employment potential and achieve economic prosperity.

In November 2012 the State Board voted to replace the “California Career and Business Network” brand with the proposed “America’s Job Center of California” identifier and proposed implementation strategy. It is the State Board’s intention to implement this brand and to allow affiliates to co-brand as “a proud partner of the America’s Job Center of California.”

The specifics as to how California will implement the brand have been developed and the State Board is currently working with EDD public affairs staff to develop a brand management handbook that will include online tools and resources as well as an implementation plan that will include immediate and longer-term steps to incorporate the brand and description of how branding efforts will be coordinated across the state and expected participation by LWIAs. The State Board and EDD are also determining the costs of this branding effort for PY 2012 and PY 2013. All of the above information will be put before the State Board for final approval.