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# SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

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**Bill No:** AB 957 **Hearing Date:** June 21, 2017  
**Author:** Levine  
**Version:** May 3, 2017  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Brandon Darnell

**Subject:** Higher education regional workforce coordination: California Workforce Development Board

## SUMMARY

This bill requires the California State University (CSU), and requests the University of California (UC), to participate in regional conversations pursuant to the Federal Workforce Innovation and Opportunity Act (WIOA).

## BACKGROUND

Existing federal law, the WIOA:

- 1) Requires local workforce investment boards and chief elected officials in each planning area to engage in a regional planning process that results in:
  - a) The preparation of a regional plan.
  - b) The establishment of regional service strategies, including the use of cooperative service delivery agreements.
  - c) The development and implementation of sector initiatives for in-demand industry sectors or occupations for the region.
  - d) The collection and analysis of regional labor market data (in conjunction with the state).
  - e) The establishment of administrative cost arrangements, including the pooling of funds for administrative costs, as appropriate, for the region.
  - f) The coordination of transportation and other supportive services, as appropriate, for the region.
  - g) The coordination of services with regional economic development services and providers;
  - h) The establishment of an agreement concerning how the planning region will collectively negotiate and reach an agreement with Governor on local levels of performance for, and report on, the federal performance accountability measures, for local areas or the planning region. (Title 29, United States Code §3121(c)).

Existing state law:

- 1) Establishes the California Workforce Development Board (CWDB), comprised of a nonspecific number of members appointed by the Governor, as well as two Members of each House of the Legislature, who have been appointed by the appropriate presiding officer in each House. Members of the CWDB are required to represent diverse geographic areas of the state, including urban, rural, and suburban areas.
- 2) Designates the CWDB as the state entity responsible for assisting the state in meeting the requirements of the federal workforce innovation and opportunity act (WIOA), as well as assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system.
- 3) Requires the CWDB to assist the Governor in the development of strategies to support the use of career pathways for the purpose of providing individuals, including low-skilled adults, youth, and individuals with barriers to employment, and including individuals with disabilities, and out-of-school youth, with workforce investment activities, education, and supportive services to enter or retain employment. To the extent permissible under state and federal laws, these policies and strategies should support linkages between kindergarten and grades 1 to 12, inclusive, and community college educational systems in order to help secure educational and career advancement.
- 4) Requires each local board to develop and submit to the Governor a comprehensive four-year local plan in partnership with the appropriate chief local elected official. The local plan is required to be consistent with the required state Plan. If the local area is part of a planning region, the local board is required to comply with federal law in the preparation and submission of a regional plan.
- 5) Requires, at the end of the first two-year period of the four-year local plan, each local board to review the local plan and requires the local board, in partnership with the chief elected official, to prepare and submit modifications to the local plan to reflect changes in labor market and economic conditions or in other factors affecting the implementation of the local plan.

## ANALYSIS

This bill requires the California State University (CSU), and requests the University of California (UC), to participate in regional conversations pursuant to the WIOA. Specifically, this bill:

- 1) Requires the CSU and requests the UC to participate in regional conversations pursuant to the WIOA.
- 2) Requires the CSU to, and requests the UC too, submit a summary of those first-year activities to the Legislature on or before May 1, 2019, on both of the following:

- a) Recommendations made, partnerships developed, activities undertaken by individual campuses, programs, or the university system that have substantively included local and regional workforce partners and that were designed to increase the number of degrees in high-demand occupations and industry sectors within one or more regions in the state.
  - b) Barriers to addressing regional workforce demands and recommendations to overcome these barriers.
- 3) Specifies, for purposes of eligibility for designation by the Governor for membership on the California Workforce Development Board, that state agency officials responsible for education programs in the state include the chief executive officers of the California Community College system, the California State University (CSU) system, the University of California (UC) system, and their respective individual campuses.
  - 4) Finds and declares that, in order to meet the demands of today's regionally based economy, all of California's institutions of higher education must be involved in geographic workforce development initiatives that seek to align our education system with regional workforce needs.
  - 5) States the intent of the Legislature for the UC to continue its mission in educating our state's top students and offering the highest quality of professional degrees, and for the CSU to continue its mission in educating the bulk of our state's undergraduate students.
  - 6) States that the state's policy framework for meeting the needs of business and individuals includes three policy objectives:
    - a) Demand-driven skills attainment.
    - b) Enabling upward mobility.
    - c) Aligning, coordinating, and integrating programs and services.
  - 7) States that the state's higher education systems can play a unique role in researching, innovating, and participating in sector strategies and career pathways in California's most economically important industry sectors, including advanced manufacturing, biotechnology, information technology, and allied health and science.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "AB 957 aligns higher education pathways with regional workforce demands by incorporating the CSU and the UC campuses into regional workforce development planning. It also authorizes the Chancellor or presidents of the CSU to be included in the California Workforce Development Board (the Board). Without this legislation, CSU and UC are under no obligation to participate in regional workforce development. The CSU campus presence in regional planning and development of career pathways is crucial as

the California State University (CSU) produces nearly half of all Bachelor's degrees in the state. The intent of this bill is to improve upon the collaborative work that has been done by including the CSU and the University of California (UC) to more closely align the state's educational systems with workforce needs. The Public Policy Institute of California projects that California will be short 1.1 million bachelor's degrees by 2030. According to a 2015 Public Policy Institute of California report, 38% of all California jobs will require a bachelor's degree in 2030, but only a third of our state's population will be qualified to fill these types of positions (full report included in attachment). In order to fill this growing degree attainment gap, we must further coordinate the work of our educators with the demand of our workforce. Much of the coordination has been set in motion by the Federal Workforce Innovation and Opportunity Act (WIOA). Under this Federal Law, K-12s and Community Colleges that receive WIOA funding are required to meet with regional employers and Workforce Investment Boards to discuss career development pathways. While UC and CSU participation is not required under this law, we have seen that their engagement has been fruitful. UC and CSU campuses are major contributors to their respective regional economies through their workforce training programs."

- 2) ***Workforce Innovation Opportunity Act and California Workforce Development Board.*** Enacted in 2014, WIOA provides states with federal funding for job training and employment investment activities and programs, including work incentive and employment training outreach programs. Distribution of the funds is based on a set formula which includes specified economic and demographic data and flows to the state through three primary programs: Adult, Youth, and Dislocated Worker. Federal law dictates that 85 percent of Adult and Youth formula funds, and 60 percent of Dislocated Worker formula funds, are distributed to local workforce development boards. Funding for the state's discretionary activities is derived from the 15 percent discretionary funds. California received approximately \$421.6 million for program year 2016-17, with \$358.4 million being allocated to local workforce development boards to provide services for adults, laid-off workers, and youth, and \$63.2 million remaining at the state-level for program oversight and discretionary programs.

California's WIOA dollars are overseen by the 49-member California Workforce Development Board (CWDB), of which 51 percent of the members represent the private sector, as required by federal law. Among its primary duties, the CWDB provides guidance to local workforce boards and is responsible for the development of a unified, strategic plan to coordinate various education, training, and employment programs that result in an integrated workforce development system that supports economic development. The plan is required to be updated at least every 2 years in order to address the state's changing economic, demographic, and workplace needs.

The CWDB submitted its first plan under WIOA to the U.S. Labor Department in 2016, which set three policy objectives: Fostering "demand-driven skills attainment"; enabling upward mobility for all Californians; and aligning, coordinating, and integrating programs and services. These objectives support the accomplishment of the state goals (2017 to 2027) of producing a million

"middle-skill" industry-valued and recognized postsecondary credentials, while also doubling the number of people enrolled in apprenticeship programs.

- 3) **Local and regional boards.** There are 49 local workforce development boards that plan for and oversee the workforce system at the local and regional levels. Local workforce boards are comprised of a range of workforce stakeholders, a majority of which are required to be representatives from business. Each local workforce development board has one or more One-Stop Career Centers, called American Job Centers under Federal Workforce Innovation and Opportunity Act (WIOA), which provide access to career information, counseling, and funding for education, training, and supportive services. There are 14 regional planning units are made up from these 49 local boards. The regional planning units include the Coastal Region, Middle Sierra, Humboldt, North State, Capital Region, East Bay, North Bay, Bay-Peninsula, San Joaquin Valley and Associated Counties, Southern Border, Los Angeles Basin, Orange, Inland Empire, and Ventura.

According to the Economic Development Department, regional plans and partnerships required by WIOA function under California's state plan as the primary mechanism for aligning educational and training provider services with regional industry sector needs in California's fourteen WIOA Regional Planning Units (RPUs). California state law requires coordination between the K-12, Community Colleges, and WIOA systems and requires the use of sector strategies as the operational framework for the state's workforce system. These two state mandated requirements are met under the state plan by making federally required WIOA regional plans and partnerships the primary mechanism for aligning educational and training programs with regional industry sector needs. As such, the main aim of regional plans is the development of "regional sector pathway" programs, by which include the identification, utilization, and servicing of career pathway programs aligned with regional industry sector needs in each of the RPUs. On March 15, 2017, the local workforce boards submitted regional plans that brought together local and regional level data on the workforce needs, skills gaps, and initiatives that are designed to address those needs, including benchmarks. A priority for the state, regional, and local plans is serving individuals who face employment barriers. In the following years, state funding through WIOA will be modified by the U.S. Department of Labor, based on the ability of the state to meet these goals.

- 4) **First-year activities not necessarily limited to baccalaureate degrees.** This bill requires the California State University (CSU), and request the University of California (UC), to submit a summary of first-year activities that were designed to increase the number of *degrees* in high-demand occupations and industry sectors within one or more regions in the state. However, it would be consistent with the purposes of the WIOA, the state plan, and regional plans if CSU and UC first-year activities that stemmed from their participation in regional planning activities resulted in new or increased certificate programs that weren't necessarily baccalaureate degrees. Accordingly, **staff recommends that the bill be amended** on page 3, line 17, to add "*or other forms of workforce preparation*" after "degrees." **Staff further recommends a technical amendment** on page 5 line 9 to add "*or their designees*" after "education."

- 5) ***Opposition's concerns not related to this bill.*** Several organizations have expressed concern with the composition of the California Workforce Development Board (CWDB), but their concerns are specific due to an existing distinction between different types of apprenticeship programs and their representation on the CWDB, which is not the subject of this bill.
- 6) ***Previous legislation.*** AB 2156 (Levine, 2016), a nearly identical bill, was held on Suspense in the Assembly Appropriations Committee.

## **SUPPORT**

California Edge Coalition  
California State Student Association  
Fresno Regional Workforce Development Board  
Los Angeles Area Chamber of Commerce  
Los Angeles County Economic Development Corporation  
North Bay Leadership Council  
Sonoma County Workforce Investment Board

## **OPPOSITION**

None received

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