

- 5) States that community college districts are encouraged to expedite the development of targeted credit or noncredit short-term workforce training programs as specified, including short-term workforce training programs that focus on economic recovery and result in job placement and short-term workforce training programs that focus on reskilling and upskilling of individuals. (EDC § 88821(g))
- 6) Defines “short-term workforce training program” to mean a 4-12 week program with a proven employer partner designated for targeted reskilling and upskilling that results in job placement. (EDC § 88822(q))

This bill:

- 1) Requires the ETP to establish a pilot project to create a regional business training center network of at least 10 sites through a partnership with the CCCs, GO-Biz, and the LWDA.
- 2) States that the purpose of the pilot project is to support the establishment of a statewide network of regional business training centers, based on the existing California Community Colleges Economic and Workforce Development Program, as specified, and to support the upskilling of the regional workforce to meet the demand for jobs in essential industry sectors during the COVID-19 pandemic and in the emerging and dominant industry sectors in the post COVID-19 economy.
- 3) Requires community colleges participating in the pilot project to offer short-term training programs that assist displaced and incumbent workers in obtaining the skills necessary to work within essential, emerging, and dominant industry sectors, as specified.
- 4) Requires the ETP to establish an advisory board of businesses, workforces, and economic development stakeholders to provide guidance to the pilot project.
- 5) Requires the ETP to submit 2 annual reports on the activities of the pilot project and a final report that includes an overall summary of the activities of the pilot project and an assessment of the effectiveness of the pilot project, as specified.

FISCAL EFFECT: Unknown. This bill is keyed fiscal by Legislative Counsel.

COMMENTS:

1. **Purpose.** According to the Authors, “AB 1457 establishes a pilot project to support the creation of a regional training center network, which can work hand-in-hand with business leaders, small business service providers, as well as other workforce partners to get people back to work. The pilot project will be developed through a partnership between the California Community Colleges, Employment Training Panel (ETP), Governor’s Office of Business and Economic Development (GO-Biz), and Labor and Workforce Development Agency. This network of the regional training centers will support the upskilling of the regional workforce to meet the demand for jobs in essential industry sectors during the COVID-19 pandemic and in the emerging and dominant industry sectors in the post COVID-19 economy.”
2. **Background.**

Employment Training Panel (ETP), Key Partnerships, and Funding. Established in 1982 by the Legislature, the Employment Training Panel is a California state program that has provided support in job creation and retention through training for over 30 years. Unlike other programs that focus on pre-employment training, ETP fulfills its mission by reimbursing the cost of employer-driven training for incumbent workers and funding the type of training needed by unemployed workers to re-enter the workforce, particularly for those workers on the frontlines, rather than highly technical or professional occupations. According to ETP's website, the program is structured so that employers make decisions about the training program and are involved in every aspect of the training. Today, the program focuses on supporting job creation and business attraction, retention, and expansion, as well as the re-employment and retention of workers.

ETP has also strengthened its relationship with GO-Biz over the years, given that GO-Biz has the Governor's Small Business Advocate, the state Innovation Hub (iHub) program and incorporates functions of the former California Business Investment Services (CalBIS). In this way, GO-Biz offers a range of services to business owners including but not limited to attraction, retention and expansion services, site selection, and small business assistance. ETP also maintains a partnership with California Workforce Development Board (CWDB) (formerly CWIB) and the California Workforce Association, as well as other workforce development organizations in the state to help keep up with statewide economic initiatives and workforce priorities, such as targeting training for ex-offenders/at-risk youth, veterans, workers impacted by the downturn in the housing market, and supporting the growth in the green economy.

ETP is funded by a special tax on California employers called the Employment Training Tax (ETT), and only those employers who pay the tax may benefit from the program. Those employers include single employers subject to the unemployment tax insurance, groups of employers, such as the chambers of commerce, joint apprenticeship training committees, trade associations, or economic development corporations, training agencies, such as community colleges and community college districts, workforce development boards, and Workforce Innovation and Opportunity Act recipients. In the last few years, however, ETP has received additional funding for alternative programs designed to train unemployed workers for jobs in the recovering economy. Additional funding primarily comes through distributions from the Employment Development Department and the California Energy Commission (CEC). According to its website, ETP anticipates ongoing commitments for additional funding.

COVID-19 and its Economic Impact. According to the Authors, "Over 7.6 million Californians filed for some form of unemployment assistance between March 14 and July 25, 2020. A significant number of these individuals are women and people of color with limited education and training beyond high school. The state needs a new approach to addressing the scale of this employment challenge. Many of the industry sectors most impacted during the pandemic are not expected to return to the same level of economic activity as pre-COVID for several years, including businesses in the hospitality, accommodation, and tourism sectors. Even in those industry sectors that are anticipated to recover quickly, many lower skill jobs will be

permanently replaced through automation and ecommerce business solutions. Currently unemployed and underemployed individuals need immediate training opportunities if they are going to successfully transition to employment in business sectors that do require workers.”

Additionally, it is worth noting that this pandemic has stressed low-income households in high-income areas most, unlike in recessions of the past. The Authors state, “Many of the industry sectors hardest impacted during the pandemic are not expected to return to the same level of economic activity as pre-COVID for several years, including businesses in the hospitality, accommodation, and tourism sectors. Even in those industry sectors that are anticipated to recover quickly, many lower skill jobs will be permanently replaced through automation and ecommerce business solutions.”

Community College Contract Education Centers and ETP. Community College Contract Education Centers are currently partnering with ETP. They provide consulting and not-for-credit customized upskill training services for employers and entered into contracts with the state’s ETP to help retrain employed (incumbent) workers. During the COVID-19 pandemic, Community College Contract Education Centers through various colleges utilized existing partnerships to: 1) create new online not-for-credit transportation courses and adapted its tracking management system for Bay Area Rapid Transit (BART) and Long Beach Transit, and launched a new transit workers safety course, *Safety Training for Frontline Workers & Supervisors in a COVID-19 World*; 2) deliver 88 virtual employer training courses, serving 1,125 employees on various topics, including COVID-19 updates to attorney labor law, remote working business skills, excel computer skills, and OSHA10 safety; and 3) deliver 164 days of training through 21 different courses and serving 3,500 unique participants.

Pilot Project at the Employment Training Panel. This bill proposes to establish a pilot project to create a regional business training center network for at least 10 sites through a partnership with the California Community Colleges, the Governor’s Office of Business and Economic Development (GO-Biz), and the Labor and Workforce Development Agency. To do this, GO-Biz will: 1) develop the project to support the establishment of statewide network of regional business training centers, based on the existing contract education units within the California Community Colleges Economic and Workforce Development Program that hold multiple contracts with the Employment Training Panel; and 2) to support the upskilling of the regional workforce to meet the demand for jobs in essential industry sectors during the COVID-19 pandemic and in the emerging and dominant industry sectors in the post COVID-19 economy.

Each region’s training activities under the pilot project will be based on the development of a regional skills map. The regional skills map will identify and compare the occupations that experience the highest number of job losses with those that will require additional workers, including occupations in industries that are considered essential in the state’s response to the pandemic and those that will require additional workers as the state economy recovers. Based on this regional skills map, the contract education units of community colleges participating in the pilot project will offer short-term training programs that assistance, displaced and

incumbent workers in obtaining the skills necessary to work within essential, emerging, and dominant industry sectors, consistent with Education Code sections. ETP will establish an advisory board of businesses, workforces, and economic development stakeholders to provide guidance on the pilot project. ETP must submit various annual reports, and the pilot program sunsets on January 1, 2025.

The bill also states that training provided will be consistent with Education Code requirements and qualify as a “short-term workforce training program.” Those requirements state that community college districts are encouraged to expedite the development of targeted credit or noncredit short-term workforce training programs as specified, including short-term workforce training programs that focus on economic recovery and result in job placement and short-term workforce training programs that focus on reskilling and upskilling of individuals. They also define “short-term workforce training program” to mean a 4-12 week program with a proven employer partner designated for targeted reskilling and upskilling that results in job placement.

3. **Arguments in Support.** Generally, the 50+ supporters of this bill maintain that the “network will provide short-term training programs that will help workers displaced due to COVID- 19 obtain the skills necessary to succeed in essential and emerging industries.”
4. **Implementing the Pilot Program.** While there are defined sources of revenue for existing programs, it is currently unclear where the funds for this pilot program will come from or what certain terms in the bill, such as a regional skills maps, mean from an implementation perspective. Clarity on these points will be helpful moving forward.

SUPPORT AND OPPOSITION:

Support:

Abm Building Value
 Analytik Jena
 Arrowhead Products
 Berry Global
 Bfmc
 Braun
 Butte County Administration
 Calplant 1
 Cameo - California Association for Micro Enterprise Opportunity
 Carriere Family Farms
 Ccl Tubing
 Chabin Concepts
 City of Mission Viejo
 City of Torrance
 Cleanrite-buildrite
 Clockshark
 Cmtc
 College of The Sequoias

Community College Etp Collaborative
County of Butte
Culver City Bus
Dalton Trucking
Epic Engineers
Greater Riverside Chambers of Commerce
Horizon Hobby
Hyatt Die Cast
Impresa Aerospace
Inland Empire United Way
Kern Community College District
Kern Economic Development Corporation
Lisa Aerospace
Lisi Aerospace
Lynam Industries, INC
Magnetika
Mission Viejo; City of
Nn, INC.
Norco Area Chamber of Commerce
North State Shrm
Onesource
Orange County Business Council
Paton Group
Pyramid Mold & Tool
Reliable Source INC.
Rounds Miller and Associates
San Bernardino Community College District
Sbccd Edct
Small Business California
Smucker's Natural Foods
South Valley Industrial Collaborative
Southern California Regional Transit Training Consortium
Spectra Premium
States Logistics Services
Torrance; City of
Valley Contractors Exchange
Vedc
Visalia Economic Development Corporation
Visalia; City of
Vital Link
Weiss Mcnair

Opposition:

None on file

-- END --