
SENATE COMMITTEE ON LABOR, PUBLIC EMPLOYMENT AND RETIREMENT

Senator Dave Cortese, Chair

2021 - 2022 Regular

Bill No:	SB 61	Hearing Date:	March 8, 2021
Author:	Hurtado		
Version:	March 1, 2021		
Urgency:	No	Fiscal:	Yes
Consultant:	Jake Ferrera		

SUBJECT: Workforce training programs: supportive services

KEY ISSUE

Should the Legislature authorize the California Workforce Development Board to increase availability of supportive service programs to assist low-income workers complete employment training programs?

ANALYSIS

Existing federal law:

- 1) Establishes the Workplace Innovation and Opportunity Act (WIOA), which provided funding and a framework for states to provide workforce training, especially to low-income adults and youth.
 - a) Defines “Supportive Services” to mean services such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in training activities authorized under this Act.
(Title 29 USC, Chapter 32)
- 2) Establishes Qualified Opportunity Zones, which reduces the rate of capital gains taxes imposed on investments within census tracts that meet the designation of “low-income”.
(Internal Revenue Code Sections 1400Z-1 and 1400Z-2)

Existing state law:

- 1) Empowers the California Workforce Development Board to assist the Governor with recommending training policies, including:
 - a) Occupational skills training
 - b) On-the-job training
 - c) Incumbent worker training
 - d) Programs that combine workplace training with related instruction, including cooperative education programs
 - e) Training programs operated by the private sector
 - f) Skills upgrading and retraining
 - g) Entrepreneurial training
 - h) Transitional jobs
 - i) Job readiness training
 - j) Adult education and literacy activities

- k) Customized training conducted with a commitment by and employer or group of employers to employ an individual upon successful completion of training.
(Unemployment Insurance code §14013 (d)(5))
- 2) Establishes the Administrative Procedure Act, which lays out rulemaking procedures and standards for state agencies in California.
(Government Code §11340)

This bill:

- 1) Defines “Consortium” to mean an entity that may be composed of any combination of a local workforce development board, community college, California Adult Education Program Consortium, or Adult Education Program, or other local stakeholders working in partnership to enroll and support individuals in poverty in workforce training programs aligned with regional labor market needs. Requires that every consortium include the local workforce development board that corresponds to its geographical area.
- 2) Defines “Supportive Services” to mean childcare, transportation, or other services identified by the state or local workforce development board or outlined in the federal Workforce Innovation and Opportunity Act (WIOA).
- 3) Defines “Training” to mean services described in Section 14013
- 4) Defines “Workforce Training Program” to mean California Workforce Development Board workforce programs and other workforce programs administered by local workforce development boards.
- 5) Orders the California Workforce Development Board to establish and administer the Lifting Families Out of Poverty Supportive Services Program. **Upon appropriation of the Legislature**, the board shall make \$50 million available in grants to consortia that apply for funding and are approved. The Board may use up to 5% of the funding appropriated to design and administer the program.
- 6) Orders the Board to develop criteria, policies, and guidelines for the award of supportive services which shall consider, but are not limited to, the following:
 - a) The ability of the consortium to leverage additional funds.
 - b) The availability and likelihood of full-time employment in the regional labor market based on successful completion of the High Road Training Partnerships Program or other similar workforce training program.
 - c) The process through which a consortium of local partners will assess the needs of participants and determine the most cost effective manner possible for the provision of supportive services.
 - d) The list of designated Qualified Opportunity Zones (QOZ) that meet the criteria for a low-income community, as defined in the federal Internal Revenue Code.
- 7) Exempts the criteria, guidelines and policies developed from the rulemaking provisions of the Administrative Procedure Act. Requires that the criteria, guidelines and policies be made available to the public and posted on the Board’s internet website.

- 8) Requires that a consortium apply for a grant by submitting a plan that includes all of the following:
 - a) The number of people to be served
 - b) The coordination with local governments, public and private employers in the area, community colleges, and other stakeholders.
 - c) The availability and likelihood of full-time employment in the local area based on the successful completion of the High Road Training Partnerships Program or another similar program.
 - d) The process through which the needs of participants will be assessed and how those needs will be met in the most cost-effective manner, including through referral to and utilization of other public and private programs and services.
- 9) Requires any consortium which receives a grant to report annually to the Board on how it used supportive service funds, which services it provided which qualify as supportive services and how much funding went to each category of service.
- 10) Requires the California Workforce Development Board to develop High Road Training Partnerships or other similar training programs to address the displacement of workers, including, but not limited to, farmworkers in the southern central valley of the state, and youth who are in or out of school and who are individuals with a barrier to employment.
- 11) Defines “High Road Training Partnerships” to mean the programs administered or overseen by the board to model strategies for the state to develop industry-based, worker-focused training partnerships that deliver equity, sustainability, and job quality and address questions of income inequality, economic competitiveness, and climate change through regional skills development designed to support communities across the state. To be similar to the High Road Training Partnership, another workforce training program must have similar objectives and employ similar strategies to achieve those objectives. This may also include a focus on the health care industry.

COMMENTS

1. Need for this bill?

According to the Author:

“Workforce training programs have a proven foundational impact on disrupting the cycle of poverty by improving upward mobility and increasing positive adult outcomes for children living in poverty. However, the [Lifting Children and Families Out of Poverty] Task Force reported that many low-income workforce training participants do not complete their programs, often due to a lack of childcare or affordable transportation. In one report, 99% of workforce development program officials stated that they wanted to provide more supportive services, but only one-third said they were likely to expand services in the near future.

Young adults have been disproportionately impacted by the recent recession due to their overrepresentation in the economic sectors most impacted by the pandemic, including retail, hospitality, and other services. At the same time, in the southern Central Valley, automation

continues to displace key workforce populations like farmworkers. As we navigate these difficult economic conditions following the COVID-19 pandemic, we must make sure to prioritize these vulnerable populations, ensuring we direct our resources and programs to help them establish career pathways.”

2. Background

The Workforce Innovation and Opportunity Act (WIOA) passed into law in 2014 under President Obama. The purposes of the act were to “To increase, for individuals in the United States, particularly those individuals with barriers to employment, access to and opportunities for the employment, education, training, and support services they need to succeed in the labor market. To take advantage of the resources made available under WIOA, as well as other workforce training programs, statutory authority was and continues to be granted to the California Workforce Development Board (CWDB) to assist the Governor in coordinating with federal, state and local entities. One such program overseen by CWDB is the High Road Training Partnerships (H RTP) program. The H RTP initiative is a \$10 million demonstration project designed to model partnership strategies for the State. The H RTPs offer training in a variety of industries, from transportation to health care to hospitality, and accomplish their mandate primarily by industry partnerships. Currently, there are eight H RTPs in the state. Four of them are in the Los Angeles Area, while the other four are in the San Francisco Bay Area. As such, there is a coverage gap in the Central Valley. SB 61 notes this and calls on the CWDB to “develop High Road Training Partnerships or other similar workforce training programs to address the displacement of workers, including, but not limited to, farmworkers in the southern central valley of the state.”

Specifically, the provisions of this bill are intended to alleviate some of the systemic barriers that low-income people face while trying to complete a CWDB training program. On November, 2018, the Lifting Children and Families Out of Poverty Task Force released a report detailing policy proposals that could help to empower low-income workers. Among these proposals was to “Provide a dedicated source of state funds for supportive services for workforce and education program participants to ensure participants can complete programs” and recommended immediate action. Furthermore, the report calls for \$50 million and states that “the lack of child care or affordable transportation were the primary reasons many individuals did not complete their vocational training programs.” These targets and appropriation level are very much in line with the proposed provisions of SB 61.

3. Staff Comment

An area of potential concern is that the Task Force calls for a \$5000 cap per person on supportive services, which was present in previous versions of this legislation in other years of session, but is not present in SB 61’s current form. Also of potential concern, SB 61 exempts itself from the Administrative Procedure Act, which could remove important administrative checks on legislation and cause downstream implementation issues.

The structure of the bill itself raises a few questions. The bill calls on the legislature to make a separate appropriation of \$50 million to fund the additional supportive services called for in SB 61. This requires a separate budget vote and could leave the supportive services unfunded should that measure be voted down. The author could consider amendments that direct existing funds within CWDB towards supportive services to remove this shortcoming, but this would require a separate cost-benefit consideration.

Finally, the bill includes language pertaining to the notable coverage gap in supportive services in the Central Valley for work training programs. Language could be included that to fill that gap with more specificity, such as specifically partitioning funds to be used for the central valley or creating a specific regional programs for farm workers in the central valley. In any case, there is some likelihood that without more targeting or specific funding sources the coverage gap in the Central Valley will persist.

4. Proponent Arguments

The GRACE Institute and End Child Poverty CA, co-sponsors of the bill, write in support:

“Our organizations have worked with youth and families across the state to increase economic prosperity among communities that have traditionally had challenges with accessing and completing workforce development and training programs due to a range of barriers. As we enter another major recession following the COVID-19 pandemic, we must make sure to prioritize these vulnerable populations and align our resources and programs to help them establish career pathways.

Now more than ever during pandemic-induced recession, SB 61 will help provide immediate assistance to unemployed and underemployed workers to pursue training to improve their ability to ascend in their careers and will have a foundational impact on disrupting multi-generational poverty. Workforce training programs have a proven foundational impact on disrupting the cycle of poverty by improving upward mobility and increasing positive adult outcomes for children living in poverty.”

5. Opponent Arguments:

None received.

6. Prior Legislation:

AB 721 (Grayson, 2019), Held in Assembly Appropriations: substantially similar same to this bill.

AB 1520 (Burke) Chapter 415, Statutes of 2017: required the Department of Social Services to invite and convene the Lifting Children and Families Out of Poverty Task Force, as established by the Lifting Children and Families Out of Poverty Act, for the purpose of recommending future comprehensive strategies aimed at addressing deep child poverty and reducing child poverty in California.

AB 1111 (Garcia) Chapter 824, Statutes of 2017: enacted the Removing Barriers to Employment Act in order to establish the Breaking Barriers to Employment Initiative which created a grant program to service individuals with barriers to employment.

SUPPORT

Grace Institute - End Child Poverty in CA (Sponsor)
Aspiranet
California Association of Food Banks
California Opportunity Youth Network
Catholic Charities East Bay
Catholic Charities of Santa Clara County
Daughters of Charity of St. Vincent De Paul Province of the West
Daughters of Charity, Province of St. Elizabeth Ann Seton
Early Care & Education Pathways to Success (ECEPTS)
East Bay Municipal Utility District
Entrenous Youth Employment Services, INC.
John Burton Advocates for Youth
National Association of Social Workers, California Chapter
New Ways to Work, INC
South Bay Community Services
The Children's Movement of Fresno
Voices Youth Centers
Youth Will
Youthbuild Collaborative of Southern California

OPPOSITION

None received

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