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THIRD READING

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Bill No: SB 61  
Author: Hurtado (D), et al.  
Amended: 5/20/21  
Vote: 21

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 3/8/21  
AYES: Cortese, Ochoa Bogh, Durazo, Laird, Newman

SENATE APPROPRIATIONS COMMITTEE: 6-1, 5/20/21  
AYES: Portantino, Bates, Bradford, Kamlager, Laird, Wieckowski  
NOES: Jones

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**SUBJECT:** Workforce training programs: supportive services

**SOURCE:** End Child Poverty in California  
Grace Institute

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**DIGEST:** This bill authorizes 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 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. 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)

Existing state law:

- 1) Empowers the California Workforce Development Board to assist the Governor with recommending training policies. (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 “Eligible Applicants” to include local workforce development boards, labor organizations, K-12 educational entities, community colleges, adult schools, county social service agencies, community-based organizations, business related nonprofit organizations, and workforce intermediaries who work directly with the individuals experiencing employment barriers to ensure those individuals receive needed training.
- 2) Defines “High Road Training Partnerships” to mean an initiative or project, administered or recognized by the board, that models strategies for the state in developing industry-based, worker-focused training partnerships that deliver equity, sustainability, and job quality and address questions of income inequality and economic competitiveness through regional skills development designed to support communities across the state.
- 3) Defines “Supportive Services” to mean services necessary to participate in and complete training. This includes, but is not limited to, the costs of the trainees’ or students’ books, safety and lab equipment, tools, resources for stipends, transportation, housing, childcare, access to technology, and other needs related to payments.
- 4) Defines “Training” to mean services described in Section 14013.
- 5) Defines “Board” to mean the California Workforce Development Board (CWDB).
- 6) 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 applicants that apply for funding and are approved. The Board may use up to 5% of the funding appropriated to design and administer the program.
- 7) 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 applicant to leverage additional funds.

- b) The availability and likelihood of full-time employment in a quality living-wage job in the regional labor market based on the successful completion of training.
  - c) Identification and recruitment of individuals from disadvantaged populations, including economically disadvantaged persons, displaced workers or those at risk of dislocation, and disconnected youth and youth at risk of disconnection.
  - d) Integration of supportive services with industry-recognized skills training connected directly to quality jobs.
  - e) Priority for grant applicants that are or that partner with High Road Training Partnerships.
  - f) Priority for grant applicants that serve individuals located in the central valley.
  - g) Priority for grant applicants that work with disconnected youth and youth at risk of disconnection.
  - h) Meaningful partnerships, reflected in each project applicant budget, with community-based organizations that have demonstrated experience in serving the target populations.
  - i) Coordination with local workforce development boards, local governments, employers, social services agencies, labor organizations, community colleges, and other stakeholders.
  - j) Tracking of participants into the labor market to measure program efficacy.
  - k) The ability to direct resources in a timely manner for supportive services to assist individuals experiencing barriers to participating in and completing training.
  - l) Outreach and technical assistance being provided to prospective applicants, especially in rural and small population areas.
- 8) 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.

## **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 (HRTP) program. The HRTP initiative is a \$10 million demonstration project designed to model partnership strategies for the State. The HRTPs 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 HRTPs 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.

## **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) *Staff Comments.* 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.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

“This bill would result in a one-time cost pressure of \$50 million, likely from the General Fund, to provide grants as specified. This bill specifies that the \$50 million would be upon appropriation of the Legislature. Additionally, CWDB indicates that it would incur annual General Fund costs of \$880,000 to implement the provisions of the bill.”

**SUPPORT:** (Verified 5/20/21)

End Child Poverty in California (co-source)  
Grace Institute (co-source)  
Aspiranet  
California Adult Education Administrators Association  
California Alternative Payment Program Association  
California Association of Food Banks  
California Council for Adult Education  
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  
East Bay Municipal Utility District  
Entrenous Youth Employment Services, Inc.  
John Burton Advocates for Youth  
Los Angeles Community College District  
Martin Luther King Jr Freedom Center  
National Association of Social Workers, California Chapter  
New Ways to Work, Inc.  
Onefuture Coachella Valley  
Redf  
South Bay Community Services  
The Children's Movement of Fresno  
Voices Youth Centers  
Youth Will  
Youthbuild Collaborative of Southern California

**OPPOSITION:** (Verified 5/20/21)

None received

**ARGUMENTS IN SUPPORT:** The Grace Institute and End Child Poverty California, 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.”

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5/25/21 15:30:28

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