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AMENDED IN SENATE JULY 22, 1997

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CALIFORNIA LEGISLATURE—1997–98 REGULAR SESSION

ASSEMBLY BILL

No. 382

Introduced by Assembly Member Ducheny
(Principal coauthor: Senator Vasconcellos)

February 20, 1997

An act to amend Section 15365.53 of the Government Code, to amend Sections 11010, 11011, 11012, 11013, and 11014 of, and to amend the heading of Chapter 6 (commencing with Section 11010) of Part 1 of Division 3 of, the Unemployment Insurance Code, and to amend Section 10531 of, and to add Section 11322.63 to, the Welfare and Institutions Code, relating to employment services.

LEGISLATIVE COUNSEL'S DIGEST

AB 382, as amended, Ducheny. Needy families: job training.

Existing law establishes various employment and training programs.



~~This bill would declare the intention of the Legislature respecting compliance with federal workplace programs as an aspect of welfare reform.~~

Existing law, operative January 1, 1998, creates the continuously appropriated Job Creation Investment Fund, to be administered by the Trade and Commerce Agency, for the purpose of allocating funds to be used for job creation activities that will provide employment for recipients of aid under the CalWORKs program.

This bill would revise the schedule of activities that a recipient may use with money received from the Job Creation Investment Fund.

Existing law requires each county to develop a plan that describes how the county intends to deliver the full range of activities and services necessary to move CalWORKs recipients from welfare to work, and specifies those elements that must be included in the plan.

This bill would revise the elements of that plan, thus creating a state-mandated local program.

Existing law, operative January 1, 1998, requires the Secretary of the Health and Welfare Agency, the Secretary of the Trade and Commerce Agency, the Chancellor of the Community Colleges, and the Superintendent of Public Instruction, on or before April 1, 1998, to enter into a memorandum of understanding to develop and maintain a plan relating to the development of an integrated state work force plan.

This bill would revise the elements of that plan.

Existing law, operative January 1, 1998, requires regional collaboratives to promote effective service delivery through integration of existing partnerships in economic development, employment and training services, welfare reform, and school reform into one collaborative partnership and process.

This bill would recast that requirement, to refer to work force preparation collaboratives as the entities that are required to meet those requirements, and would revise the requirements.



The bill would also require the Health and Welfare Agency to perform various functions relating to the administration of certain federal welfare-to-work funds.

This bill would require the Department of Finance to make a specified report regarding federal matching fund requirements.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes. State-mandated local program: ~~no~~-yes.

The people of the State of California do enact as follows:

~~1 SECTION 1. It is the intent of the Legislature that the
2 State of California shall comply with the federal mandate
3 to implement a workplace preparation program as an
4 aspect of welfare reform.~~

5 SECTION 1. Section 15365.53 of the Government
6 Code is amended to read:

7 15365.53. (a) The fund is intended to provide flexible
8 funding for local job creation initiatives whenever
9 possible, using, rather than duplicating, existing
10 resources. Notwithstanding Section 13340 of the
11 Government Code, the fund is hereby continuously
12 appropriated without regard to fiscal years for the
13 purposes of this chapter. The Treasurer shall invest
14 moneys not needed to meet current obligations incurred
15 pursuant to this chapter.

16 (b) Moneys in the fund shall be used by a recipient to
17 either develop a strategic plan, in an amount not to
18 exceed 50 percent of the recipient's allocation or two



1 hundred fifty thousand dollars (\$250,000), whichever is
2 less, or to implement initiatives consistent with the plan,
3 including, but not limited to, all of the following:

4 (1) Planning and coordination activities that lead to
5 better local linkages between strategic economic
6 planning and development of education and training
7 curricula relevant to jobs that will exist locally.

8 (2) Packaging economic development and
9 community development projects in a manner that can
10 utilize capital financing mechanisms, such as the
11 California Infrastructure and Economic Bank provided
12 for pursuant to Chapter 2 (commencing with Section
13 63020) of Division 1 of Title 6.7.

14 (3) Development of localized labor market
15 information that enables placement of recipients of and
16 under Chapter 2 (commencing with Section 11200) of
17 Part 3 of Division 9 of the Welfare and Institutions Code
18 in currently available, as well as future, jobs.

19 (4) Assistance in developing economic development
20 strategies for business expansion and location
21 opportunities, including work force preparation and
22 other local training services for employees.

23 (5) Targeting economic development and job
24 creation activities to emerging or growth industry
25 clusters in the local area.

26 (6) Expansion of technical assistance to small business
27 and manufacturers for activities, such as those designed
28 to make business operations more economical or
29 competitive, while providing jobs for welfare recipients.

30 (7) Permit streamlining services.

31 (8) One-stop centers for small business financing to
32 coordinate funding resources for business expansion.

33 (9) Establishment of small business incubators.

34 (10) *Activities* to support the use of intermediary
35 employers-~~or~~

36 (11) *Support of* microenterprise activities.

37 ~~(10)~~

38 (12) Establishment and support of neighborhood
39 development corporations pursuant to Section 15365.54.

40 ~~(11)~~



1 (13) Matching of seed capital funds with private
2 capital for community development projects.

3 (14) *Planning and coordination activities that lead to*
4 *better local linkages between job creation activities and*
5 *implementation of the welfare-to-work grant program*
6 *created by the federal Balanced Budget Act of 1997*
7 *(Public Law 105-33).*

8 (c) Interest earnings may be used by the agency to
9 offset administrative costs.

10 *SEC. 2. The heading of Chapter 6 (commencing with*
11 *Section 11010) of Part 1 of Division 3 of the*
12 *Unemployment Insurance Code is amended to read:*

13

14 CHAPTER 6. ~~REGIONAL WORK FORCE PREPARATION AND~~
15 ~~ECONOMIC DEVELOPMENT-COLLABORATIVE ACT~~

16

17 *SEC. 3. Section 11010 of the Unemployment*
18 *Insurance Code is amended to read:*

19 11010. (a) The Legislature finds and declares the
20 following:

21 (1) California must have a world class system of
22 education and training linked to economic development
23 in order to meet the demands of global economic
24 competition.

25 (2) The California Economic Strategy Panel
26 determined that California's economy is undergoing a
27 dramatic transformation whereby California is in an
28 established leadership position with respect to a number
29 of emerging industries representing a new economy of
30 the 21st century, and that education and work force
31 preparation are critical to the growth and
32 competitiveness of California's economy.

33 (3) California's work force preparation programs,
34 including job training, job placement, and education,
35 spend over six billion dollars (\$6,000,000,000) annually
36 serving 6,700,000 students, displaced and unemployed
37 workers, welfare recipients, and incumbent workers.

38 (4) At least 22 state programs and many federal and
39 local programs provide these work force preparation
40 services.



1 (5) With the increasing demand to educate and train
2 the youth and adults in this state with the skills necessary
3 to obtain and retain employment especially in the
4 industries essential for its economic growth, California
5 needs to maximize the effective use of resources for its
6 work force preparation programs to create a more
7 coherent, comprehensive, accountable, and
8 customer-focused system.

9 (6) An effective work force preparation system is
10 necessary for California to meet the time limit and work
11 force preparation requirements of the Personal
12 Responsibility and Work Opportunity Reconciliation Act
13 of 1996 (P.L. 104-193).

14 (7) In order to accomplish this, the public and private
15 sector entities responsible for economic development,
16 education, and work force preparation must collaborate
17 at the state and local levels.

18 (8) This collaboration must be compatible with the
19 existing missions and governance structures of all entities
20 involved.

21 (9) The major ~~objective~~ *objectives* of this ~~act is the~~
22 ~~integration of existing local and regional partnerships~~
23 ~~that support initiatives in education reform, work force~~
24 ~~preparation, and economic development~~ *chapter are the*
25 *development of a state work force preparation plan and*
26 *the integration of work force preparation initiatives with*
27 *economic development strategies through local and*
28 *regional collaboration.*

29 (10) In order to promote this collaboration, the
30 Secretary of the Health and Welfare Agency, the
31 Secretary of the Trade and Commerce Agency, the
32 Chancellor of the California Community Colleges, and
33 the Superintendent of Public Instruction shall, in
34 consultation with local stakeholders and customers,
35 collaborate in the development of a state work force
36 development system and shall encourage and support
37 local partners to develop ~~regional~~ *work force preparation*
38 *collaboratives.*

39 (b) The Legislature hereby enacts the ~~Regional~~
40 ~~Workforce~~ *Work Force Preparation and Economic*



1 ~~Development~~ *Collaborative* Act to demonstrate how,
2 through the *planning and* collaboration of state and local
3 resources, ~~—education,~~ work force preparation ~~and~~
4 ~~economic—development~~ services can be delivered to
5 clients in a more responsive, integrated, and effective
6 manner.

7 *SEC. 4. Section 11011 of the Unemployment*
8 *Insurance Code is amended to read:*

9 11011. (a) On or before April 1, 1998, the Secretary of
10 the Health and Welfare Agency, the Secretary of the
11 Trade and Commerce Agency, the Chancellor of the
12 California Community Colleges with the consent of the
13 Board of Governors, and the Superintendent of Public
14 Instruction, with the consent of the State Board of
15 Education, shall enter into a memorandum of
16 understanding to develop and maintain a plan including
17 a schedule to do the following:

18 (1) Develop an integrated state work force
19 development plan for service delivery, resource
20 investment, and performance measures. The plan shall
21 be developed through a collaborative process that shall
22 include substantial local input. *The plan shall address the*
23 *fundamental ways California's economy has changed and*
24 *the demands of a new 21st century economy described by*
25 *the California Economic Strategy Panel.*

26 (2) Initiate a competitive process to select a minimum
27 of five ~~regional—education,~~ work force preparation, ~~and~~
28 ~~economic—development collaboratives,~~ known as regional
29 collaboratives, that will receive financial and program
30 incentives to develop local partnerships ~~to—maximize—the~~
31 *for planning and* delivery of employment, training, and
32 education services. These partnerships shall collaborate in
33 the development of shared systems to improve their
34 efficiency and effectiveness in delivering work force
35 development services.

36 (3) Identify new and redirected resources, federal and
37 state waivers, and legislative changes necessary to
38 enhance the effectiveness of ~~regional~~ work force
39 *preparation* collaboratives.



1 (b) ~~Regional~~ *Work force preparation* collaboratives
 2 shall have representation from the following public and
 3 private entities:

- 4 (1) The Employment Development Department.
- 5 (2) The local Job Training Partnership Act
 6 administrative entity.
- 7 (3) Community college districts.
- 8 (4) Local school districts, including those that provide
 9 adult education and regional occupational centers or
 10 programs.
- 11 (5) Regional occupational centers serving adults.
- 12 (6) Entities administering local public assistance
 13 welfare-to-work programs.
- 14 (7) Local economic development organizations.
- 15 (8) The private sector, including both business and
 16 *organized* labor.

17 In addition, the competitive selection process shall
 18 emphasize the expectation that these ~~regional~~
 19 collaboratives will have broad representation of all
 20 public, private, and nonprofit agencies that have an
 21 interest in education, ~~economic-development~~ *work force*
 22 *preparation*, welfare to work, and ~~work-force~~ *economic*
 23 *development*.

24 (c) ~~Regional~~ *Work force preparation* collaboratives
 25 shall be selected and shall receive financial and program
 26 incentives effective July 1, 1998.

27 (d) From existing state and federal funds available for
 28 expenditure for the purposes of this section, the state
 29 partners shall identify five million dollars (\$5,000,000) per
 30 year for each of three years for distribution to a minimum
 31 of five ~~regional~~ *work force preparation* collaboratives, in
 32 order to create systemic change that results in increased
 33 collaboration and service delivery within each region.

34 *SEC. 5. Section 11012 of the Unemployment*
 35 *Insurance Code is amended to read:*

36 11012. ~~Regional~~ *Work force preparation*
 37 collaboratives shall do the following:

- 38 (a) Define regions consistent with labor market and
 39 economic areas giving consideration to education,
 40 employment, and training service areas.



1 (b) ~~Promote~~ *Develop* effective service delivery
2 through integration of ~~existing partnerships in work force~~
3 *preparation initiatives and* economic development;
4 ~~employment and training services, welfare reform, and~~
5 ~~school reform into one collaborative partnership and~~
6 ~~process consistent with the goals strategies through local~~
7 *and regional collaboration. To the extent feasible, service*
8 *delivery shall be consistent with the principles of*
9 California's One-Stop Career Center System.

10 (c) Set measurable local program goals that meet the
11 needs of various client groups as determined by both
12 historical service levels and present needs, and that
13 demonstrate the extent to which outcomes will improve
14 through collaboration.

15 (d) Provide for an evaluation of the pilot program.

16 *SEC. 6. Section 11013 of the Unemployment*
17 *Insurance Code is amended to read:*

18 11013. (a) State partners shall jointly manage the
19 ~~regional~~ *work force preparation* collaborative project
20 with designated staff and shall use existing resources
21 available for this purpose.

22 (b) State partners shall identify in the memorandum
23 of understanding existing funds that are available to
24 support the funding of ~~regional~~ *work force preparation*
25 *collaboratives. The Secretary of the Health and Welfare*
26 *Agency shall identify existing funds from sources*
27 *including, but not limited to, the federal Job Training*
28 *Partnership Act, the One-Stop Career Center grant, the*
29 *School to Career grant, and the federal Wagner-Peyser*
30 *Act. The Chancellor of the California Community*
31 *Colleges, with the consent of the Board of Governors,*
32 *shall identify funds from sources including, but not*
33 *limited to, the federal Carl D. Perkins Vocational*
34 *Education Act and state economic development funds.*
35 *The Superintendent of Public Instruction, with the*
36 *consent of the State Board of Education, shall identify*
37 *funds from sources including, but not limited to, the*
38 *federal Carl D. Perkins Vocational Education Act and the*
39 *federal Improving America's Schools Act of 1994.*



1 (c) The state partners shall pursue waivers from the
2 appropriate federal agencies to promote local flexibility
3 and remove obstacles to integrated service delivery for
4 selected ~~regional~~ *work force preparation* collaboratives.

5 *SEC. 7. Section 11014 of the Unemployment*
6 *Insurance Code is amended to read:*

7 11014. The state partners shall prepare an annual
8 progress report on March 15 of each year and a final
9 report by July 1, 2001, to be submitted to the Legislature,
10 which shall consist of an analysis of the project,
11 recommendations for expansion of ~~regional~~ *work force*
12 *preparation* collaboratives, and recommendations for
13 legislative changes to promote the development of
14 ~~regional~~ *work force preparation* collaboratives.

15 *SEC. 8. Section 10531 of the Welfare and Institutions*
16 *Code is amended to read:*

17 10531. Each county shall develop a plan consistent
18 with state law that describes how the county intends to
19 deliver the full range of activities and services necessary
20 to move CalWORKs recipients from welfare to work. The
21 plan shall be updated as needed. The plan shall describe:

22 (a) How the county will collaborate with other public
23 and private agencies to provide for all necessary training,
24 and support services.

25 (b) The county's partnerships with the private sector,
26 including employers and employer associations, and how
27 those partnerships will identify jobs for CalWORKs
28 program recipients.

29 (c) Other means the county will use to identify local
30 labor market needs.

31 (d) The range of welfare-to-work activities the county
32 will offer recipients and the identification of any
33 allowable activities that will not be offered.

34 (e) The process the county will use to provide for the
35 availability of substance abuse and mental health
36 treatment services.

37 (f) The extent to which, and the manner in which,
38 mental health services will be available to recipients after
39 the period specified in subdivision (a) of Section 11454.



1 (g) The process the county will use to provide for child
2 care and transportation services.

3 (h) The county's community service plan.

4 (i) How the county will provide training of county
5 workers responsible for working with CalWORKs
6 recipients who are victims of domestic violence.

7 (j) The performance outcomes identified during the
8 local planning process that the county or other local
9 agencies will track in order to measure the extent to
10 which the county's program meets locally established
11 objectives.

12 (k) The means the county used to provide broad
13 public input to the development of the county's plan.

14 (l) A budget that specifies the source and
15 expenditures of funds for the program.

16 (m) How the county will assist families that are
17 transitioning off aid.

18 (n) All necessary components of the job creation plan
19 required by Section 15365.55 of the Government Code in
20 counties that choose to implement the program
21 described in Chapter 1.12 (commencing with Section
22 15365.50) of part 6.7 of Division 3 of Title 2 of the
23 Government Code.

24 (o) Other elements identified by the director, in
25 consultation with the steering committee under Section
26 10544.5, including elements related to the performance
27 outcomes listed in Sections 10540 and 10541.

28 (p) How the county will comply with federal
29 requirements of the Temporary Assistance for Needy
30 Families program (Part A (commencing with Section
31 601) of Subchapter 4 of Chapter 7 of Title 42 of the United
32 States Code).

33 (q) *How the county and the private industry council
34 shall jointly plan to use welfare-to-work funds received
35 pursuant to the federal Balanced Budget Act of 1997 (P.L.
36 105-33) in an integrated plan for moving CalWORKs
37 recipients from welfare to work, including identification
38 of any allowable local matching funds available to meet
39 federal match requirements for these funds.*



1 SEC. 9. Section 11322.63 is added to the Welfare and
2 Institutions Code, to read:

3 11322.63. (a) It is the intent of the Legislature in
4 enacting this section to implement the welfare-to-work
5 grant program created by the federal Balanced Budget
6 Act of 1997 (P.L. 105-33). The funds available under that
7 act shall be used to supplement and support activities to
8 transition CalWORKs recipients into self-sufficiency.

9 (b) To the extent permitted by federal law, the Health
10 and Welfare Agency shall do all of the following:

11 (1) Certify that the plan and the planning process for
12 the use of these funds has included collaboration with
13 local work force development providers.

14 (2) Certify that a local joint planning process has
15 developed protocols by the private industry council and
16 the county welfare department for the referral of clients
17 and the provision of welfare-to-work services as a
18 condition for the receipt of these funds.

19 (3) Develop procedures to recapture unused funds
20 and redistribute them to private industry councils that
21 have expended all of their welfare-to-work grant funds
22 and that demonstrate a continued need for additional
23 funds.

24 (c) The Governor shall consider distributing 15
25 percent of the grant funds, less the amount necessary to
26 administer the program, to demonstration projects that
27 utilize innovative models, such as the use of intermediary
28 employers to move long-term recipients into
29 unsubsidized employment. It is the intent of the
30 Legislature that these funds should be distributed to
31 employers, private nonprofit organizations, and for-profit
32 and public entities on a competitive basis. It is further the
33 intent of the Legislature that payments to contractors
34 should be based upon performance outcomes, and that
35 the amount awarded to contractors should be based on
36 such items as the relative severity of an individual
37 recipient's barriers to employment, the length of job
38 retention, and the quality of job obtained. It is the intent
39 of the Legislature that, in all cases, local comment should
40 be solicited in order to ensure that grants approved are



1 consistent with local plans for moving welfare recipients
2 to work.

3 (d) State and local costs for the administration of this
4 section shall not exceed 15 percent of the federal funds
5 received under the formula provisions of the federal
6 welfare-to-work block grant program.

7 (e) By January 10, 1998, the Department of Finance
8 shall report to the Legislature about federal matching
9 fund requirements and the options the state has for
10 meeting those requirements.

11 SEC. 10. Notwithstanding Section 17610 of the
12 Government Code, if the Commission on State Mandates
13 determines that this act contains costs mandated by the
14 state, reimbursement to local agencies and school
15 districts for those costs shall be made pursuant to Part 7
16 (commencing with Section 17500) of Division 4 of Title
17 2 of the Government Code. If the statewide cost of the
18 claim for reimbursement does not exceed one million
19 dollars (\$1,000,000), reimbursement shall be made from
20 the State Mandates Claims Fund.

21 Notwithstanding Section 17580 of the Government
22 Code, unless otherwise specified, the provisions of this act
23 shall become operative on the same date that the act
24 takes effect pursuant to the California Constitution.

