

AMENDED IN SENATE JUNE 28, 2021

AMENDED IN SENATE JUNE 15, 2021

AMENDED IN ASSEMBLY APRIL 29, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 1106

Introduced by Assembly Members Cervantes and Reyes

February 18, 2021

An act to add and repeal Section 13997.3 of the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 1106, as amended, Cervantes. Employment Training Panel: pilot program: employment training needs.

Existing law establishes the Employment Training Panel within the Employment Development Department. Under existing law, the panel is charged with performing various duties, including establishing a 3-year plan based on the demand of employers for trained workers, changes in the state's economy and labor markets, and continuous reviews of the effectiveness of panel training contracts.

Existing law establishes the California Community Colleges Economic and Workforce Development Program with the purpose of, among other things, using labor market information to advise the Chancellor's Office of the California Community Colleges and regional community college bodies on the workforce needs of the state's competitive and emerging industry sectors, and collaborating and coordinating investment with other state, regional, or local agencies involved in education and workforce training in California.

This bill, upon appropriation by the Legislature, would require the Employment Training Panel to establish a pilot program to serve the employment training needs of small businesses. The bill would require the program to leverage the capacity of the existing statewide network of community college contract education centers operating with multiple employer contracts. The bill would require the Employment Training Panel to develop the pilot program to achieve specified purposes, including strengthening the linkages between higher education institutions and employers. ~~The~~

This bill would require the Employment Training Panel, in developing the program, to work with key workforce and economic development partners, including the Chancellor’s Office of the California Community Colleges, the Governor’s Office of Business and Economic Development, the Labor and Workforce Development Agency, and the California Workforce Development Board. The bill would also authorize the Employment Training Panel to establish one or more ad hoc advisory groups of stakeholders. *The bill would require all data collected from the pilot program to be inputted into the Employment Training Panel’s data tracking system.* The bill would require the Employment Training Panel to submit 2 reports to the appropriate legislative committees on the implementation of the program and program activities, as specified. ~~The~~

This bill would repeal these provisions on January 1, 2026.

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

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

- 1 SECTION 1. (a) The Legislature finds and declares all of the
- 2 following:
- 3 (1) California’s dominance in many economic areas is based,
- 4 in part, on the significant role small businesses play in the state’s
- 5 \$3.1 trillion economy.
- 6 (2) Two separate studies, one by the United States Census
- 7 Bureau and another by a nationally recognized think tank, found
- 8 that net job growth was strongest among businesses with less than
- 9 20 employees. California firms represented 12.6 percent of all
- 10 businesses in the United States in 2015, with 88.3 percent of firms
- 11 having less than 20 employees.

1 (3) Supporting small business development has shown to be a
2 successful inclusive economic growth strategy advantaging
3 businesses throughout the state, including historically underserved
4 business groups such as minority-, women-, and veteran-owned
5 businesses, and hard to serve areas of the state such as low wealth,
6 rural, and disaster-impacted communities.

7 (b) In order for the state to fully leverage the economic
8 opportunities represented by supporting small businesses, it is the
9 intent of the Legislature to facilitate the alignment and, where
10 appropriate, the integration of the statewide network of workforce
11 training centers administered by the community college contract
12 education centers within the existing network of small business
13 technical and financial assistance centers. Training provided
14 through these centers can serve as an important access point for
15 small business employers and higher education.

16 (c) In order to better serve the workforce training needs of
17 employers and workers, it is the intent of the Legislature to build
18 upon existing coordination efforts between successful programs
19 at the Employment Training Panel, the California Community
20 Colleges, and California's local workforce development boards.
21 Recovering from the economic impacts of the COVID-19 pandemic
22 is placing increased pressure to upskill unemployed and incumbent
23 workers. A more robust regional education and training system is
24 better able to meet the range of workforce needs of business and
25 industry.

26 SEC. 2. Section 13997.3 is added to the Government Code, to
27 read:

28 13997.3. (a) The Employment Training Panel shall establish
29 a pilot program to serve the employment training needs of small
30 businesses. The pilot program shall leverage the capacity of the
31 existing statewide network of community college contract
32 education centers operating with multiple employer contracts.

33 (b) The Employment Training Panel shall develop the pilot
34 program to achieve all of the following purposes:

35 (1) To support the upskilling of the regional workforce to meet
36 the demand for jobs in essential industry sectors during the
37 COVID-19 pandemic and in the emerging and dominant industry
38 sectors in the ~~post-COVID-19~~ *post-COVID-19* economy.

39 (2) To strengthen the linkages between higher education
40 institutions and employers.

1 (3) To enhance the linkages between regional education and
2 training system partners and the regional small business financial
3 and technical assistance centers.

4 (4) To gain real-time information on the coursework small
5 businesses are requesting and accessing to meet their workforce
6 development needs. This information shall be used to help inform
7 community college districts and local workforce development
8 boards in their development of career ~~pathways, including the~~
9 ~~selection~~ *pathways and development* of not-for-credit and noncredit
10 ~~coursework that can be applied~~ *pathways* towards credit-course
11 ~~requirements for a certificate or degree programs~~ or professional
12 certification.

13 (5) *To test innovative solutions to advancing the competitiveness*
14 *of the small business, while also providing career advancement*
15 *of the new and incumbent workers. This may include, but is not*
16 *limited to, career pathways and stackable credentials leading to*
17 *a longer term credential for workers who traditional programs*
18 *may not have sufficiently served, including women, people of color,*
19 *veterans, lower skill workers, the rural workforce, and residents*
20 *of lower income neighborhoods.*

21 (c) (1) In developing the program, the Employment Training
22 Panel shall consult with key workforce and economic development
23 partners, including, but not limited to, the Chancellor's Office of
24 the California Community Colleges, the Governor's Office of
25 Business and Economic Development (GO-Biz), the Labor and
26 Workforce Development Agency, and the California Workforce
27 Development Board.

28 (2) The Employment Training Panel may establish one or more
29 ad hoc advisory groups of stakeholders, including, but not limited
30 to, businesses, workers, economic developers, chambers of
31 commerce, local workforce boards, small business technical
32 assistance centers, and public entities.

33 (3) The Employment Training Panel, its partners, and
34 stakeholders shall discuss how:

35 (A) Demand-driven coursework can be used to propel workers
36 along a career pathway that allows them to stack their learnings
37 and credentials to help them further their progress to a degree or
38 higher skilled credentials.

39 (B) Demand-driven workforce training course data can better
40 inform the development of new and modification of existing career

1 pathways, ~~which includes, but is not limited to, the selection of~~
2 ~~which including development of~~ not-for-credit and noncredit work
3 ~~shall be applied~~ pathways towards credit course requirements for
4 a longer term certificate or degree program: *program attainment.*

5 (d) Where known, a worker shall be informed as to how the
6 training offered through the pilot is aligned with one or more career
7 pathways and what, if any, additional steps are necessary for the
8 worker to earn a certificate or credential, or receive academic
9 ~~credit.~~ *credit, where applicable.*

10 (e) *All data collected from the pilot program shall be inputted*
11 *into the Employment Training Panel's data tracking system.*

12 ~~(e)~~

13 (f) The Employment Training Panel shall submit to the
14 appropriate legislative committees, in compliance with Section
15 9795, both of the following reports:

16 (1) Six months from initial funding, a progress report on the
17 implementation of the program.

18 (2) On or before October 1, 2022, a report on program activities
19 since the prior report.

20 ~~(f)~~

21 (g) The reports required pursuant to subdivision ~~(e)~~ (f) shall, in
22 addition, include:

23 (1) A description of how the funding complemented the work
24 of, and integrated the employers and individuals being served with,
25 the broader workforce, education, and employment system.

26 (2) A description of how the funding complemented the work
27 of, and, where appropriate, introduced the employers to the services
28 available through the network of small business technical and
29 financial assistance centers and other local and regional business
30 development partners.

31 (3) A description of how the training influenced the development
32 of career pathways within the region and ~~the selection of~~ *discussion*
33 ~~of~~ not-for-credit and noncredit coursework ~~that is or will be~~
34 ~~included within career pathways and converted to credit.~~ *to longer*
35 *term career pathways in credit certificate and degree programs,*
36 *where applicable.*

37 (4) A profile on businesses and workers participating in the
38 pilot, which shall include all of the following:

- 1 (A) The number and percentage of workers who enroll and
- 2 complete course and program training by race, gender, region, and
- 3 age.
- 4 (B) Outcomes of training participants, including employment,
- 5 wages, and industry of employment. *Industry sector shall be based*
- 6 *on information reported by the employer.*
- 7 (C) Participation of small businesses, including size, region,
- 8 and sector of ~~business~~. *business, as reported by the business.*
- 9 (5) An evaluation on the effectiveness of the pilot project in
- 10 meeting small business rapid reemployment training needs,
- 11 upskilling of workers, and assisting workers in accessing longer
- 12 term career pathways. The evaluation shall also include specific
- 13 recommendations for strategies to improve the effectiveness of
- 14 the program.
- 15 ~~(g)~~
- 16 (h) This section shall become operative only upon the
- 17 Legislature making an appropriation to implement the provisions
- 18 of this section.
- 19 ~~(h)~~
- 20 (i) This section shall remain in effect only until January 1, 2026,
- 21 and as of that date is repealed.