

Date of Hearing: April 23, 2019

ASSEMBLY COMMITTEE ON HUMAN SERVICES

Eloise Gómez Reyes, Chair

AB 721 (Grayson) – As Amended March 21, 2019

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

**SUMMARY:** Establishes the “Lifting Families Out of Poverty Workforce Training Supportive Services Program,” to, upon appropriation, offer \$50 million in grants to entities providing supportive services to low-income participants in workforce training programs. Specifically, **this bill:**

- 1) States Legislative findings and declarations regarding the need for supportive services among low-income workforce training participants, the barriers to participation in vocational training programs created by lack of child care and affordable transportation, the availability of federal funding for supportive services, and the need for additional funding for supportive services for low-income workforce participants and for increased coordination across the many programs aiming to support education and employment for this population.
- 2) Defines “consortium” to mean an entity that may be composed of any combination of local workforce development board, county welfare department, community college, or other stakeholder, working together to enroll and support individuals living in poverty in workforce training programs that are aligned with regional labor market trends.
- 3) Defines “supportive services” to mean services necessary to enable an individual to successfully participate in or receive training activities, as specified.
- 4) Defines “training” to include a variety of activities delineated in current law pertaining to adult and dislocated worker training policies and investments, as specified.
- 5) Requires the California Workforce Development Board (CWDB), in partnership with the California Department of Developmental Services (CDSS) and the Office of Chancellor of the California Community Colleges (CCC) to establish and administer the “Lifting Families Out of Poverty Workforce Training Supportive Services Program,” whereby, upon appropriation by the Legislature for this purpose, CWDB is required to make \$50 million in grants available to approved consortia, as specified.
- 6) Prohibits grants from exceeding \$5,000 per enrolled low-income workforce participant per year.
- 7) Requires CWDB, CDSS, and the Office of the Chancellor of the CCCs to develop criteria, policies, and guidelines for the award of supportive service grant funds that consider, but are not limited to:
  - a) The ability of a consortium to leverage additional funds in support of the program;
  - b) The availability and likelihood of full-time employment in the regional labor market based on completion of the job training program, as specified; and,

- c) The process through which a consortium of local partners will assess the needs of participants and determine the most cost-effective manner for provision of supportive services, including referral to and utilization of other available public and private programs and services.
- 8) Exempts the criteria, policies, and guidelines developed pursuant to provisions of this bill from the rulemaking provisions of current law, as specified, and further, requires the CWDB to make the criteria, policies, and guidelines publically available on its internet website.
- 9) Requires a consortium to apply for a grant by submitting a plan to CWDB that includes all of the following:
  - a) The number of people served;
  - b) The coordination with local governments, public and private employers in the area, community colleges, and local school districts;
  - c) The availability and likelihood of full-time employment in the local area based on the successful completion of the job training program; and,
  - d) The process through which the needs of participants will be assessed and met in the most cost effective manner possible, as specified.

**EXISTING LAW:**

- 1) Establishes the CWDB as the body responsible for assisting the Governor in the development, oversight, and continuous improvement of California's workforce investment system and the alignment of the education and workforce investment systems to the needs of the 21st century economy and workforce; requires the CWDB to report, through its executive director, to the Secretary of the Labor and Workforce Development Agency; and, requires CWDB to be made up of the Governor and representatives of specified entities and categories who are appointed by the Governor. (Unemployment Insurance Code [UIC] Sections 14010 through 14012)
- 2) Requires the CWDB to assist the Governor through a variety of assigned responsibilities, including developing and continuously improving the statewide workforce system by, among other things, recommending adult and dislocated worker training policies and investments that offer a variety of career opportunities while upgrading the state's workforce, to include training policies and investments pertaining to any of the following, as specified: occupational skills training; on-the-job training; incumbent worker training; programs that combine workplace training with related instruction; training programs operated by the private sector; skill upgrading and retraining; entrepreneurial training; transitional jobs; job readiness training provided in combination with other specified training activities; adult education and literacy activities provided in combination with other specified training activities; and, customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training. (UIC 14013 (d)(5))

- 3) Requires the establishment of local workforce development boards in each local workforce development area of the state to assist with planning, oversight, and evaluation of local workforce investment, as specified. (UIC 14201)
- 4) Tasks local workforce development boards with a number of responsibilities, including leading efforts in the local workforce development area to develop and implement career pathways within the local area by aligning the employment, training, education, and supportive services that are needed by adults and youth, particularly individuals with barriers to employment. (UIC 14200)
- 5) Establishes the “Lifting Children and Families Out of Poverty Task Force” to recommend future comprehensive strategies aimed at addressing deep child poverty and reducing child poverty in California, and requires the task force to submit a report to the administration and Legislature by November 1, 2018, as specified. (Welfare and Institutions Code [WIC] Section 20055)

**FISCAL EFFECT:** Unknown

**COMMENTS:**

***California Workforce Development Board (CWDB):*** The federal Workforce Innovation and Opportunity Act (WIOA) requires the submission of a state workforce development plan by the Governor, through the CWDB and in collaboration with core WIOA programs administered by the California Department of Education (CDE), the Employment Development Department (EDD), and the Department of Rehabilitation (DOR). According to CWDB, “The overarching goal of California’s Strategic Workforce Development Plan is the reorientation and realignment of California’s workforce programs and institutions to support a dynamic and globally successful state economy that offers all residents – including the most vulnerable – an opportunity for a higher quality of life.” The CWDB manages a number of grants and initiatives designed to accomplish this goal.

California’s Unified Strategic Workforce Development Plan provides a general policy framework to align programs and offer direction for WIOA-funded and other workforce development programs. The plan lays out seven policy strategies to frame, align, and guide the coordination of programs at state, regional, and local levels. Those seven strategies include, among others, the following:

- “Sector strategies: aligning workforce and education programs with leading and emergent industry sectors’ skills needs. The success of these efforts will depend on the depth of industry engagement.
- Career pathways: enabling of progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skills development corresponds with labor market gains for those being trained or educated. These pathways should be flexibly designed and include, where necessary, remedial programming, and English as a second language training, so as to allow those with basic skills deficiencies the ability to participate.

- Regional partnerships: building partnerships between industry leaders, including organized labor, workforce professionals, education and training providers, and economic development leaders to develop workforce and education policies that support regional economic growth. The success of these efforts will depend on the depth of industry engagement.
- Supportive services: providing ancillary services like childcare, transportation, and counseling to facilitate program completion by those enrolled in training and education courses.”

***The role of supportive services for adult learners and trainees:*** Job training and educational opportunities can open the door for many low-income workers to greater labor force attachment, higher wages, and pathways leading to longer-term careers that pay living wages. However, some individuals and families face significant barriers to completing training programs and, in turn, to improving their skills and wages. For example, an October 2014 report from the Urban Institute examining the role of child care assistance for parents in education and training observed that, “Lack of child care is one important barrier that can make it difficult for low-income parents to successfully participate in workforce development programs such as education, training, activities that help people find jobs, job-readiness activities, and supportive services.” A 2016 review of research by the Institute for Women’s Policy Research (IWPR) found that “supportive services are sporadically offered across the workforce system, and some services are more readily available than others. The Workforce Benchmarking Network of the Corporation for a Skilled Workforce—which has collected data from 259 programs on participant demographics, services received, and outcomes—found that 36 percent of organizations surveyed provided financial literacy or counseling and 48 percent provided transportation assistance to at least half of their participants. Only six percent, however, gave assistance with child care expenses to a majority of participants. Experts interviewed for this report said that child care assistance represents a key need for many participants but is difficult to provide, in part due to the relatively high cost of offering the service. The Urban Institute reports that 69 percent of low-income parents in education and training have children younger than six years old.” In addition to the need for child care, low-income individuals and families can face other barriers such as health issues, lack of dependable transportation, and financial stresses.

The 2016 IWPR report acknowledged the lack of a comprehensive body of research clearly linking the impact of supportive services on training program retention rates and longer-term employment impacts, but did find that, “While few evaluations have examined the role of supportive services in promoting job training success, several studies that examine individual job training programs indicate that these services are associated with positive outcomes. For example, [a] Mathematica study...of female exiters from Workforce Investment Act (WIA)-funded programs found that among women participating in the Adult program, 78 percent who received supportive services were employed within one year of exiting the program, compared with 73 percent who received no supportive services. Women who received these services earned, on average, \$3,674 per quarter, compared with \$3,285 for those who did not receive them. Among women participating in the dislocated worker program, the difference was even greater: 82 percent of those who received support services were employed within one year of exiting the program, compared with 70 percent of those who did not. Average earnings for those who received supportive services were \$4,395 per quarter—about \$700 more—than those who did not receive these services (\$3,676).”

**Need for this bill:** It has been increasingly acknowledged that it is not uncommon for low-income individuals and families to face multiple, complex barriers that can impede participation in workforce development and employment activities. The Lifting Children and Families Out of Poverty Task Force was convened in 2018 to recommend future comprehensive strategies aimed at addressing deep child poverty and reducing child poverty in California; one of its recommendations was to fund supportive services for low-income workforce and education participants. This bill seeks to implement this recommendation to help address barriers to participation in training and employment by offering grants to entities to provide supportive services that supplement training programs for low-income participants, with the hope that supportive services will increase participants' likelihood of completing training programs and, ultimately, securing employment that pays living wages.

According to the author, "One of the priority recommendations made by the Lifting Children and Families Out of Poverty Task Force was to fund supportive services for low-income individuals to complete up-skilling training programs. [This bill] will do just that by establishing a grant program to fund supportive services, such as affordable transportation and child care, to enable participants to complete workforce development training programs. This bill will provide immediate assistance to hard-working, low-income Californians pursuing education to improve their ability to ascend in their careers and will have a foundational impact on disrupting multi-generational poverty."

**Recommended amendments:** This bill proposes a promising program designed to assist low-income participants in completing job training programs. However, as currently drafted, the bill also raises a few concerns. For one, its required consideration of "likelihood of full-time employment" doesn't allow for measuring and rewarding incremental success short of full-time employment, which can include labor market engagement (obtaining a job), acquiring an increase in hours of employment, or earning higher wages. Additionally, the bill's current language includes a very loose definition of consortia that doesn't necessarily mandate inclusion of any public entities or require coordination across those entities. The bill also currently lacks a requirement for grantees to define what supportive services they plan to use grant funds for, or a requirement to justify the selection of those services, up to and including pointing to evidence of their previous success. Lastly, the bill as currently written does not require grantees to report on their use of grant funds. *In order to address these issues, committee staff recommends the following amendments:*

**Beginning on line 28 of page 3 of the bill:**

28 (a) "*Consortium*" means an entity working in partnership to enroll and  
support individuals living in poverty and participating in workforce training  
programs aligned with regional labor market needs that includes the  
following:

(1) Representatives from at least two of the following:

(A) Local workforce development board.

(B) County welfare department.

(C) Community college.

(2) Other stakeholders, as deemed appropriate, that may be composed of

29 ~~any combination of local workforce development board, county~~  
 30 ~~welfare department, community college, or other stakeholder,~~  
 31 ~~working in partnership to enroll and support individuals in poverty~~  
 32 ~~in workforce training programs aligned with regional labor market~~  
 33 ~~needs.~~

*Beginning on line 20 of page 4 of the bill:*

20 (2) The availability ~~and likelihood~~ of full-time employment in  
21 the regional labor market based on the successful completion of  
22 the job training program, including the alignment of the training  
23 program with regional labor market demand.

**(3) Justification that the supportive services provided will assist a participant in completing their training, and that such training will lead to improved labor force attachment and earnings.**

24 ~~(3)~~ (4) The process through which a consortium of local partners  
25 will assess the needs of participants and determine the most  
26 cost-effective manner possible for the provision of supportive  
27 services, including through the referral to, and utilization of, all  
28 other public and private programs and supportive services that  
29 may be available.

*On line 7 of page 5 of the bill:*

7 (3) The availability ~~and likelihood~~ of fulltime employment in  
8 the local area based on the successful completion of the job  
9 training program.

*Insert after line 14 of page 5 of the bill:*

**(5) A description of the supportive services to be provided, any evidence indicating that such services have been shown to reduce barriers to training for similar populations, and justification that the supportive services provided will assist participants in completing their training and, as a result, will help them to achieve improved labor force attachment and earnings.**

**(g) Each consortium shall annually report to the board the following:**

**(1) The number of individuals served.**

**(2) The types of supportive services received by each of the individuals served.**

**(3) Whether each of the individuals served completed the training program in which they were enrolled.**

**(4) Whether each of the individuals served secured and retained employment during or after completion of the training program.**

**(5) Whether each of the individuals served experienced wage or income gains during or after completion of the training program.**

**(h) The board shall transmit the report provided pursuant to subdivision (g) to the State Department of Social Services and the Office of the Chancellor of the California Community Colleges.**

**(i) Any grantee failing to submit a report pursuant to subdivision (g), or failing to demonstrate appropriate use of grant funds in a report submitted pursuant to subdivision (g), shall be deemed ineligible for any future grant funding until and unless such a report is submitted and appropriate use of funds demonstrated.**

**(j) The board shall, within two years of implementation of the program set forth in this article, evaluate the efficacy of the program and shall work with EDD to determine the extent to which individuals served by the program are securing employment and achieving income gains, and what barriers remain to achieving these outcomes.**

*Double referral:* This bill passed out of the Assembly Labor and Employment Committee on April 3, 2019, with a 7-0 vote.

#### **PRIOR LEGISLATION:**

*AB 1520 (Burke), Chapter 415, Statutes of 2017*, established the “Lifting Children and Families Out of Poverty Task Force” in order to recommend strategies for addressing deep child poverty and reducing child poverty in the state.

*AB 1111 (E. Garcia), Chapter 824, Statutes of 2017*, established the “Breaking Barriers to Employment Initiative” for the purpose of assisting individuals who have multiple barriers to employment to receive the remedial education and work readiness skills to help them to successfully participate in training, apprenticeship, or employment opportunities that will lead to self-sufficiency and economic stability.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

GRACE Institute - End Child Poverty In CA (Sponsor)  
California Catholic Conference  
California Coalition for Youth  
Coalition of California Welfare Rights Organizations  
Food Bank of Contra Costa and Solano  
Fresno Economic Opportunities Commission  
Friends Committee on Legislation Of California  
Lutheran Office of Public Policy - California  
Mission Economic Development Agency  
Rise Together  
Rubicon Programs

##### **Opposition**

None on file

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