

INVESTING IN CALIFORNIA'S WORKFORCE

As the state's economic recovery continues, many Californians are entering and returning to the workforce seeking jobs that require more education and training. However, the state does not have a coordinated approach that links efforts of various entities—traditional K-12 schools, adult schools, community colleges, universities, local workforce investment boards, libraries, social services agencies, public safety agencies, and employers—and the resources available do not effectively develop skills needed in the workforce. Increasing the resources available and better targeting where they are used will improve the skills of California's workforce and better meet the demands of the growing economy. Making this investment strategically will also help reduce the number of Californians living in poverty.

For the last several years, the Census Bureau has reported that about 16 percent of California residents are living in poverty—slightly above the national average of 14.9 percent. The Census Bureau's supplemental measurement of poverty, which considers broader measures of income and the cost of living, reflects a poverty rate of 23.4 percent (a three-year average). Additionally, while the state's economic condition has improved since the Great Recession, the increase in wages and salaries has been uneven, with much of the gain being made by the state's wealthiest residents.

Investing in assistance programs alone will only marginally improve the situation for those living in poverty. Investments that improve a range of educational outcomes (such as basic literacy, graduation from high school, certificate programs, and college degrees) and provide tangible skills desired by employers generally increase an individual's

earning potential. This type of investment can provide a permanent path out of poverty and to greater personal advancement.

The Budget outlines a comprehensive framework to strengthen the workforce by providing credentials valued by employers and encouraging careers that have opportunities for advancement and self-sufficiency. These proposals represent a significant step in reinvesting and reshaping California's workforce preparation systems to accomplish the following:

- Provide high-quality, job-related instruction and connect students with quality career exploration and guidance.
- Produce a workforce and education framework that is highly responsive to labor market demands and focuses on current or emerging high-wage, high-skill, or high-demand jobs.
- Provide increased and more meaningful employer engagement in the workforce development system, including partnering in earn-and-learn programs, on-the-job training, and subsidized employment opportunities.
- Align various programs through coordinated regional planning efforts that can more easily incorporate business-sector input and industry-valued certificates and degrees.
- Improve alignment of workforce programs with post-secondary education, particularly the community colleges, and the continuing development of career pathways programs.
- Emphasize non-traditional apprenticeship programs in high-growth industries in emerging and transitioning occupations.
- Target education and employment services to special populations including veterans, the disabled, CalWORKs recipients, formerly incarcerated individuals, and other disadvantaged groups most in need of assistance.

Congress' recent reauthorization of the Workforce Innovation and Opportunity Act promotes principles that strongly align with this approach, as well as the key workforce initiatives of the Labor and Workforce Development Agency and the Community College Board of Governors Task Force on Workforce, Job Creation, and a Strong Economy.

While many programs are targeted toward workforce development, their goals, objectives, and approaches have differed and are not well coordinated. Recent

efforts have focused on bringing these divergent activities together through common performance measures and coordinated planning activities on a regional scale. The Labor and Workforce Development Agency and various workforce entities will continue development of the Unified State Workforce Investment Plan over the next year as required by the Workforce Act. The plan will:

- Incorporate input from workforce investment boards, schools, community colleges, rehabilitation programs, CalWORKs welfare-to-work services, and community correctional programs.
- Emphasize regional planning that reflects the needs of employers.
- Adopt common performance measures that are aligned with other workforce development programs, adult education and literacy programs, and job services.
- Create pathways to post-secondary education and careers.

The Budget builds on investments made in recent years across program areas and provides over \$1.2 billion to support these coordinated programs:

- **Adult Education Block Grant**—The Budget provides \$500 million Proposition 98 General Fund for a block grant to support programs in elementary and secondary basic skills, classes and courses in citizenship and English as a second language for immigrants, education programs for adults with disabilities, short-term career technical education programs linked to occupations with high employment potential, and programs for apprentices. The program will build upon the existing adult education infrastructure, but will ensure ongoing collaboration among different providers and with workforce development and social service functions that adult education is intended to serve. Additional information on the proposed block grant can be found in the K thru 12 Education Chapter.
- **Career Technical Education (CTE)**—The Budget provides \$250 million Proposition 98 General Fund for incentive grants to school districts, county offices of education, and charter schools. To qualify for funding, each awardee must provide one-to-one matching funds and demonstrate a long-term commitment to support CTE by presenting a plan to continue the program after grant funds expire with Local Control Funding Formula allocations or other local funding resources. Priority will be given to districts who apply in partnership with other districts or providers to offer regional programs. Additional information on this proposal can be found in the K thru 12 Education Chapter.

- **Workforce Investment Act**—The 2014 Budget Act included \$390.8 million federal funds of which \$356.3 million is allocated to 49 local workforce investment boards to target job and workforce services to youth, adults, and dislocated workers; and \$34.5 million for program oversight and discretionary programs. The discretionary funding is allocated to address regional workforce needs and employment barriers for special populations. Discretionary funding in 2015-16 is expected to increase and will be detailed in the May Revision after federal guidelines for the new Workforce Act are released in early 2015. Two regionally targeted programs include:
 - **SlingShot Regional Grants**—Provides \$5.2 million in 2014-15 to address regional barriers to employment through innovative workforce development, training, employer engagement, and career education approaches.
 - **Regional Workforce Accelerator Program Grants**—Provides \$3.2 million in 2014-15 to partnerships for job training, support services, and job placement assistance for the long-term unemployed, veterans, low-income individuals seeking jobs (including CalWORKs recipients), disconnected youth, formerly incarcerated individuals, and others with barriers to employment.
- **Apprenticeship Program Funding**—The Budget includes an increase of \$14 million for existing apprenticeship programs to support both an increase in the number of hours allocated and the rate at which schools and colleges are reimbursed. In addition, the Budget provides \$15 million for new and innovative apprenticeship programs in emerging industries.
- **Enhanced Non-Credit Rate Change**—The Budget provides \$49 million to reflect an increase adopted with the 2014 Budget in the funding rate for career development and college preparation non-credit courses to equal the rate provided for credit courses. Career development and college preparation non-credit courses offer flexibility for community colleges to design and deliver courses better suited for students pursuing career technical education.

These investments serve as the first step toward a broader strategy of aligning 49 workforce investment boards, 72 community college districts, more than 1,000 other local education agencies, and the employment programs of 58 county human services agencies. They will also provide a framework for workforce development in California that coordinates local, state, and federal resources within 15 economic development regions defined by regional and industry workforce needs.