

# INVESTING IN CALIFORNIA'S WORKFORCE

The state continues to invest in programs designed to support instructional pathways and workforce experiences that build knowledge and skills, lead to meaningful credentials, and result in gainful employment. These investments help reduce the number of Californians living in poverty, improve a range of educational outcomes (such as basic literacy and graduation and certification completion rates), increase an individual's earning potential, and prepare California's workforce to meet ever-changing economic demands.

California continues making significant progress toward linking the efforts of K-12 schools, adult schools, community colleges, universities, local workforce investment boards, libraries, social services agencies, public safety agencies, and employers to better provide educational and workforce training opportunities to California residents. In addition to the general support provided to many of these entities, the state invests over \$6 billion annually on workforce education and employment and training programs.

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## **K-12 SCHOOLS AND WORKFORCE DEVELOPMENT**

In late 2015, the California Community Colleges (CCC) Board of Governors, working with representatives from the K-12 education system, unanimously approved a set of 25 recommendations from the Task Force on Workforce, Job Creation, and a Strong Economy. These recommendations continue the focus on strengthening workforce education with the goal of preparing California's students for jobs.

The Career Technical Education Incentive Grant Program continues to provide funds to encourage the creation and expansion of high-quality career technical education (CTE) programs during local educational agencies' implementation of the Local Control Funding Formula. Priority for these funds is given to local educational agencies establishing new CTE programs and those facing unique challenges, such as having higher-than-average dropout rates, being located in areas of high unemployment, or operating programs within rural school districts. Programs funded include, but are not limited to, agricultural and aquaponics, welding, and culinary institutes. The Career Technical Education Incentive Grant program is the largest of its kind in the nation, investing \$900 million over a three-year period.

Recognizing the importance of integrating aspects of career and college readiness into the accountability system, the State Board of Education included a measure of college/career readiness in the new school accountability tool.

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### **COMMUNITY COLLEGES AND WORKFORCE OPPORTUNITIES**

In 2015-16, community college vocational education programs served roughly 300,000 full-time equivalent students, about 27 percent of all community college full-time equivalent students. Below are several other community college programs that strengthen workforce development and foster job creation:

- **Strong Workforce Program**—The Budget includes \$248 million Proposition 98 General Fund for the Strong Workforce Program. This program builds upon federal Workforce Innovation and Opportunity Act of 2014 (WIOA) funds and provides access to more regionally aligned, career technical education and workforce development programs/courses. It will also strengthen programmatic collaboration among workforce investment boards, CCCs, local education agencies, and county human services agency employment and workforce development programs. These efforts promote greater employment opportunities and earnings potential for participating students.
- **Adult Education Block Grant Program**—This program coordinates representatives from local educational agencies, community colleges, and other regional education, workforce, and industry partners to promote the educational opportunities offered to students and adult learners. Through this program, students and adult learners can access courses to complete their high school diplomas or general education equivalent, English as a Second Language courses, and pathways courses that

lead to additional career opportunities. The Budget includes \$500 million ongoing Proposition 98 General Fund to support the Adult Education Block Grant Program.

- Apprenticeship Programs—There are over 265 apprenticeship programs sponsored by local educational agencies, community colleges, and the Labor and Workforce Development Agency's (Labor Agency) Employment Training Panel which support training to approximately 74,000 apprentices. These programs offer interested Californians a clear pathway to obtain classroom instruction and on-the-job training skills leading to gainful employment, while also providing California businesses with well-trained employees. The Budget includes \$54.9 million ongoing Proposition 98 General Fund and approximately \$13 million Employment Training Fund for apprenticeship programs.
- Economic and Workforce Development Program—This program provides funding for targeted investments in economic and workforce development, focusing on priority and emergent industry sectors, providing short-term grants to support industry-driven regional education and training. The Budget includes \$22.9 million ongoing Proposition 98 General Fund to support this program.

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## **CONTRIBUTIONS OF STATE UNIVERSITIES IN WORKFORCE GOALS**

The University of California (UC) and the California State University support continued education along many educational pathways, and opportunities exist for the universities to play an even stronger role in the state's workforce agenda, especially in high-skill areas. For example:

- Extensions and Continuing Education—The universities have long served adults seeking skills development and training through their extension programs. In addition to being a part of the state's strategy on workforce, these programs can serve as models for innovation in higher education in general.
- Online Master's Degrees—The Governor's agreement with the UC President expects the UC to expand online programs in areas where high demand exists to meet the needs of employers. In 2015, the UC convened industry leaders and other stakeholders to identify specific online certificate and master's degree programs for development or expansion. Recent research suggests that low-cost online master's degrees could expand access to those who may not otherwise have sought out continuing education.

- Innovation and Entrepreneurship—The universities have played a key role in economic development in California. The 2016 Budget included \$22 million General Fund for the UC for innovation and entrepreneurship activities, with the expectation that those one-time funds would be used to generate additional support as part of a sustainable long-term plan to improve the workforce pipeline.

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### **ROLE OF LOCAL LIBRARIES**

Many other entities play roles as part of pathways in the workforce, and the state's strategy should consider better integration. Public libraries already provide a space where students and adults can earn high school diplomas or career certificates online, learn literacy skills with volunteer tutors, or build upon their ideas in dedicated "makerspaces" or innovation labs. The state now funds high-speed Internet access for many libraries. Libraries can be hubs for people to access online courses, particularly as libraries are in a unique position to provide the additional support and guidance that some studies suggest is essential for online education. The State Librarian will engage stakeholders in the spring to create plans to better integrate the libraries into the state's workforce strategy.

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### **IMPLEMENTING THE FEDERAL WORKFORCE INNOVATION AND OPPORTUNITY ACT**

WIOA of 2014 requires greater alignment of programs and services for people who need good jobs and for employers seeking well-prepared employees with relevant skills. California developed a four-year WIOA State Strategic Workforce Plan that coordinates disparate programs within a common vision.

Under the WIOA State Plan, Local Workforce Development Boards, community colleges, Adult Education Block Grant Consortia, local economic development agencies, and local human services agencies are working together at the regional level to develop partnerships and implement the policy objectives of the WIOA State Plan. These partnerships support program alignment, industry workforce needs, skills attainment, and upward mobility, and will move the state toward its long-term goal of producing one million industry-recognized credentials, doubling the number of apprenticeships between 2017 and 2027.

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## LABOR AGENCY WORKFORCE INVESTMENTS

The state has made significant investments to support the implementation of the WIOA State Plan, including the following:

- SlingShot Grant Program—Since 2015-16, the state has invested \$10.9 million in the SlingShot Grant Program, which provides flexible resources for organizing workforce education programs around a common regional vision and supporting training programs that meet industry employment needs. These resources support 12 SlingShot coalitions to build leadership in each of the state's WIOA regions.
- Accelerator Grant Program—Since 2015-16, the state has invested \$16 million in the Accelerator Grant Program, which provides grants within each of the WIOA regions to foster innovative new partnerships, practices, and policies that accelerate employment outcomes for people with barriers to employment (including the formerly incarcerated, at-risk youth, veterans, people with disabilities, and immigrants).
- CAAL-Skills Data Sharing Pilot Project—The 2016 Budget Act includes \$1 million for Labor Agency to spearhead the Cross-System Analytics and Assessment for Learning and Skills Attainment (CAAL-Skills) data-sharing pilot project to begin building a comprehensive data-sharing system that eventually will provide policymakers, the public, and program administrators actionable information about which workforce and education programs best improve an individual's ability to get a job.

Additionally, the 2016 Budget Act includes \$5.7 million for the Labor Agency, the California Workforce Development Board, and the Employment Development Department to support several efforts, such as providing access to services for people with barriers to employment, training for industry sector and business engagement, and developing guidance for program cost-sharing in America's Job Centers of California career centers.

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## MINIMUM WAGE

In April 2016, California became the first state in the nation to commit to raising the minimum wage to \$15 per hour statewide. The minimum wage increased to \$10.50 per hour on January 1, 2017, for businesses with 26 or more employees. The minimum wage will increase to \$11 per hour in 2018 for these larger businesses, and then incrementally

to \$15 per hour by 2022. Small businesses with 25 or fewer employees will have additional time to phase in the increases. Further, the state has the flexibility to pause the scheduled increases if negative economic or budgetary conditions emerge.

The Budget includes \$217 million General Fund to fund state costs associated with the rising minimum wage. This includes increased state employee wages and increased payments to In-Home Supportive Services providers, child care providers, and community-based service providers for residents with developmental disabilities. This also reflects modest savings associated with lower enrollment in Medi-Cal and CalWORKs due to the minimum wage increase's effects on families' incomes.

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### **DEPARTMENT OF INDUSTRIAL RELATIONS**

Within the Labor Agency, the Department of Industrial Relations continues its mission to improve working conditions; enforce laws related to wages, hours, conditions of employment, and workers' compensation; and adjudicate workers' compensation claims. The Division of Apprenticeship Standards creates opportunities for Californians to gain employable lifetime skills and provides employers with a highly skilled and experienced workforce. The Governor's Budget expands these roles in the following ways:

- **Strategic Enforcement of Labor Standards**—The Budget provides \$4.6 million Labor Enforcement and Compliance Fund, increasing to \$11.4 million by 2020-21, to implement a strategic enforcement effort to combat labor law violations. These resources will enable the Department to more effectively combat wage theft and other labor law violations in those industries with the greatest needs for rigorous enforcement, such as the janitorial, garment manufacturing, construction, agricultural, food processing, and restaurant industries.
- **Division of Apprenticeship Standards Grant Funding**—The Budget provides \$877,000 federal funds in 2016-17 and \$923,000 federal funds in 2017-18 to expand existing apprenticeship programs and create new programs in non-traditional fields and emerging industries with unmet labor demands. With this grant, the Department intends to enroll 6,000 more people in apprenticeship programs and engage new businesses in apprenticeship program discussions statewide.