

Assembly Bill No. 1457

Passed the Assembly August 30, 2020

Chief Clerk of the Assembly

Passed the Senate August 29, 2020

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2020, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1457, Cervantes. Regional business training center network: pilot project.

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 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. Existing law authorizes the governing board of any community college district to contract education programs by agreement with any public or private agency, corporation, association, or any other person or body, to provide specific educational programs or training to meet the specific needs of those bodies.

This bill, upon appropriation by the Legislature, would require the Employment Training Panel to establish a pilot project to enhance the regionally focused statewide business training center network of community college contract education centers to partner with other assistance providers serving small businesses. The bill would authorize the pilot project to be guided through a partnership with the Employment Training Panel, including 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.

This bill would state that the purpose of the pilot project is to support the enhancement of a regionally focused statewide network of at least 10 regional business training centers, and their subcontracted community college partners, to support the upskilling of the regional workforce to meet the demand for jobs in essential industry sectors during the COVID-19 pandemic and in the emerging and dominant industry sectors in the post COVID-19 economy, and to strengthen the capacity of a region's small business service providers to meet the demands being placed upon it by the COVID-19 pandemic, as specified. The bill would require community colleges participating in the pilot project to offer short-term training programs that assist displaced and incumbent workers in obtaining the skills necessary to work within essential, emerging, and dominant industry sectors, as specified. The bill would authorize the Employment Training Panel, and its partners, to establish an advisory board of businesses, workforces, and economic development stakeholders to provide advice and to review the pilot project. The bill would require the Employment Training Panel to submit 2 annual reports on the activities of the pilot project and a final report that includes an overall summary of the activities of the pilot project and an assessment of the effectiveness of the pilot project, as specified. The bill would repeal these provisions January 1, 2025.

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) California's dominance in many economic areas is based, in part, on the significant role small businesses play in the state's \$2.9 trillion economy.

(2) Two separate studies, one by the United States Census Bureau and another by the Kaufman Foundation, found that net job growth was strongest among businesses with less than 20 employees. California firms represented 12.6 percent of all businesses in the United States in 2015, with 88.3 percent of firms having less than 20 employees.

(3) Supporting small business development has shown to be a successful inclusive economic growth strategy advantaging businesses throughout the state, including historically underserved

business groups such as minority-, women-, and veteran-owned businesses, and hard to serve areas of the state such as low wealth, rural, and disaster-impacted communities.

(b) In order for the state to fully leverage the economic opportunities represented by supporting small businesses, it is the intent of the Legislature that a two-year pilot project be undertaken to facilitate the integration of the statewide network of workforce training centers administered by the community college contract education centers within the existing network of small business technical and financial assistance centers.

(c) The pilot project, established pursuant to Section 13997.3 of the Government Code, builds upon existing coordination efforts between successful programs at the Employment Training Panel, the California Community Colleges, and California's Local Workforce Development Boards. Recovering from the economic impacts of the COVID-19 pandemic is placing increased pressure to upskill unemployed and incumbent workers. A more robust regional education and training system is better able to meet the range of workforce needs of business and industry.

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

13997.3. (a) The Employment Training Panel shall establish a pilot project to enhance the regionally focused statewide business training center network of community college contract education centers to partner with other assistance providers servicing small businesses. The pilot project may be guided through an Employment Training Panel partnership, which may include the California Community Colleges, the Governor's Office of Business and Economic Development (GO-Biz), the Labor and Workforce Development Agency, and the California Workforce Development Board.

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

(1) To support the enhancement of a regionally focused statewide network of at least 10 regional business training centers, and their subcontracted community college partners, within the California Community Colleges that hold multiple employer contracts with the Employment Training Panel.

(2) To support the upskilling of the regional workforce to meet the demand for jobs in essential industry sectors during the

COVID-19 pandemic and in the emerging and dominant industry sectors in the post COVID-19 economy.

(3) To strengthen the capacity of a region's small business service providers to meet the demands being placed upon it by the COVID-19 pandemic through heightened coordination and referrals between small business financial and technical assistance centers and regional education and training system partners, including, but not limited to, community college credit, noncredit, and not-for-credit courses, community college workforce training units, including contract education, local workforce boards, public and private universities and colleges, and private training and higher education partners. The intent is to increase coordination within the workforce development ecosystem, leverage and build upon existing efforts to avoid duplication, and to supplement and expand where needed to meet employer training needs.

(c) (1) (A) Each region's training activities under the pilot project shall be based on a regional skills map that identifies and compares the occupations that experience the highest number of job losses with those that will require additional workers, including occupations in industries that are considered essential in the state's response to the pandemic and those that will require additional workers as the state economy recovers.

(B) The regional skills map shall be developed by the Community College Centers of Excellence within the California Community Colleges Economic and Workforce Development Program (Part 52.5 (commencing with Section 88600) of Division 7 of Title 3 of the Education Code). The contract education centers shall provide information on the types of courses being requested from businesses for upskilling of incumbent and new workers. The data used in the development of the map shall be available, upon request, to local workforce boards within the region.

(C) The identification of the dominant and emerging industry sectors shall be informed by the most recent local workforce board local plans and the California Community Colleges Strong Workforce regional plans.

(2) Based on the regional skills map developed pursuant to paragraph (1), the workforce training and contract education units of community colleges participating in the pilot project shall offer short-term training programs that assist displaced and incumbent workers in obtaining the skills necessary to work within essential,

emerging, and dominant industry sectors. Training provided shall be consistent with the requirements described in subdivision (g) of Section 88821 of the Education Code and qualify as a “short-term workforce training program” as defined in subdivision (q) of Section 88822 of the Education Code.

(d) The Employment Training Panel and the partners may establish an advisory board of businesses, workforces, and economic development stakeholders to provide advice on the activities to, and review of, the pilot project.

(e) The Employment Training Panel may allocate up to 30 percent of the funds appropriated for the purpose of the pilot project to the contract education centers prior to the completion of the regional skills gap map.

(f) The Employment Training Panel shall submit, in compliance with Section 9795, all of the following reports:

(1) On or before October 1, 2021, an annual report of the activities of the pilot project in the previous 12 months.

(2) On or before October 1, 2022, an annual report of the activities of the pilot project in the previous 12 months.

(3) On or before January 1, 2023, a final report that includes an overall summary of the activities of the pilot project and an assessment of the effectiveness of the pilot project in achieving the purposes identified in subdivision (b).

(g) The pilot project shall become operative only upon the Legislature making an appropriation to implement the provisions of this section.

(h) This section shall remain in effect only until January 1, 2025, and as of that date is repealed.

Approved _____, 2020

Governor