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**SB-755 Workforce development: training-related job placement: reporting.** (2021-2022)

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**Senate Bill No. 755**

**CHAPTER 815**

An act to add Section 14017.1 to the Unemployment Insurance Code, relating to workforce development.

[ Approved by Governor September 29, 2022. Filed with Secretary of State September 29, 2022. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 755, Roth. Workforce development: training-related job placement: reporting.

Under existing law, the information obtained in the administration of the Unemployment Insurance Code is for the exclusive use and information of the Director of Employment Development in the discharge of the director's duties and is not open to the public. However, existing law permits the use of the information for specified purposes, including to enable the California Workforce Development Board (board) and other entities to access any relevant quarterly wage data necessary for the evaluation and reporting of specified workforce program performance outcomes as required and permitted by various local, state, and federal laws, as specified.

Existing law establishes the board 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. Existing law requires local chief elected officials in a local workforce development area to form a local workforce development board to plan and oversee the workforce investment system, as provided. Existing law requires the Employment Development Department to provide an annual report to the Governor, the Legislature, and the board, on or before November 30, regarding the training and supportive services expenditures made by local workforce development boards pursuant to certain expenditure requirements relating to workforce training programs.

This bill would require the board and department to work collaboratively to measure and report on training-related job placement outcomes for individuals receiving job training services, as defined, provided through the workforce system, as provided. The bill would require, among other things, the board and department to create a plan to use existing data to match relevant employee occupational data, employee place of employment data, and employee hours worked data, to persons who enroll in job training services, and to outline various objectives. The bill would require the board and department, upon appropriation by the Legislature, to implement the plan, and within 2 years of the appropriation, to summarize and provide an initial report of their findings to specified committees of the Legislature. The bill would require this initial report to be annually updated and included in the annual report the department provides to the Legislature, as described above. The bill would also require the board and department to work with local workforce development boards to develop and implement a means of notifying, prior to their enrollment in a job training service, a person seeking to enroll in those services of the board's and department's findings on the efficacy of those services. The bill would make related findings and declarations. By imposing additional duties on local officials, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** The Legislature finds and declares all of the following:

- (a) The COVID-19 pandemic has accelerated and caused the state unemployment level to remain at historical highs.
- (b) The 45 local workforce development boards in California play an integral role in assisting unemployed Californians to obtain job employment and upskill.
- (c) Federal support through the Workforce Innovation and Opportunity Act (WIOA) is the primary funding source for the California Workforce Development Board (CWDB) and provides great flexibility in the development of specialized work training programs that identify and serve a divergent population.
- (d) Workforce investment programs are required to be data driven and evidenced based.
- (e) According to the CWDB Report for Program Year 2019, "Results Achieved Under the Workforce Innovation and Opportunity Act (WIOA)," workforce development training programs provided service to 44,112 participants in the fiscal year covering July 1, 2019, to June 30, 2020. Of these participants, 5,060 achieved a credential and 6,209 achieved measurable skill gains.
- (f) Developing and continuously improving CWDB training programs includes, but is not limited to, determining the extent to which participants who have achieved a credential by participating in a training program are placed in employment in the same field of training.
- (g) It is essential that workers and jobseekers have, to the extent feasible, timely analysis on the success of programs to better enable them to make decisions on which program to pursue. This analysis is also beneficial to the state so it knows which programs to fund.
- (h) It is the intent of the Legislature to provide the Legislature and public with consolidated metrics for the number of individuals who participate in certificate or job training programs and who are subsequently employed in a related field or industry.

### **SEC. 2.** Section 14017.1 is added to the Unemployment Insurance Code, to read:

**14017.1.** (a) To ensure that job training services investments are linked to regional labor market demand and provide opportunities for upward mobility, the board and the Employment Development Department shall work collaboratively to measure and report on training-related job placement outcomes for individuals receiving job training services provided through the workforce system, including all job training services funded by Title I of the federal Workforce Innovation and Opportunity Act (Pub. L. 113-128) and through grants administered by the board, regardless of the source of the moneys.

(b) For purposes of measuring training-related job placement outcomes, gathering data to report, and otherwise fulfilling subdivision (a), the board and the Employment Development Department shall work collaboratively to create a plan to use the existing unemployment insurance tax data collection infrastructure used to secure quarterly wage data from employers, to match relevant employee occupational data, employee place of employment data, and employee hours worked data, to persons who enroll in job training services. The plan shall include timelines, budget, funding constraints, and an outline of any additional recommended or necessary statutory changes to collect relevant data. The plan shall also outline the means for all of the following:

- (1) Requiring local workforce development boards and grantees of board-administered grants to collect and report industry and occupation-specific data for all persons who enroll in job training services, including through the use of case management and performance reporting systems deployed for state and federal data collection and reporting.
- (2) Developing and implementing a method to measure the second- and fourth-quarter prior earnings of a person, who is enrolled in a job training service, for purposes of measuring the person's increase in earnings following their participation in and exit from a program.
- (3) Developing and implementing a means to measure wage and employment outcomes for a person following that person's participation in a job training service during the second, fourth, eighth, and twelfth quarters following participation in and exit from a program for purposes of measuring the person's increase in earnings over time.

(4) Calculating, by region, industry, occupation, and job training service provider, the wages, wage gains, employment rates, and training-related job placement rates at the second, fourth, eighth, and twelfth quarters following a person's participation in and exit from a program.

(5) Calculating, by region, industry, occupation, and job training service provider, the rate of persons who participated in a job training service and who became employed at a wage at or above a living wage for the region. This calculation shall take into account the cost of living in the regional labor market where the person works or lives. The employment rate calculation shall be calculated at the second, fourth, eighth, and twelfth quarters following a person's participation in and exit from a program.

(6) Calculating program completion, credential attainment, and measurable skills gains rates by job training service provider, industry, occupation, and region.

(7) Determining, by region, industry, occupation, and job training service provider, whether participation in a job training service, completion of a job training service, credential attainment, and measurable skills gains have an empirically verifiable impact on assisting persons in achieving employment, training-related job placement, wages, and wage gain that places those persons at or above a living wage for the region. This determination shall take into account the cost of living in the regional labor market where the person works or lives.

(8) Developing and implementing a means of working with the local workforce development boards to notify, prior to their enrollment in a job training service, a person seeking to enroll in those services of the board's and Employment Development Department's findings on the efficacy of those services, particularly with respect to the likelihood of training related job placement, the likelihood of job placement at or above a regional living wage, and the likelihood of wage gains at the second, fourth, eighth, and twelfth quarters following a person's participation in and exit from a program. Those findings shall be disaggregated by region, job training services provider, industry, and occupation.

(9) The board and the Employment Development Department shall, in compliance with Section 9795 of the Government Code, submit the plan to the Legislature no later than January 1, 2024.

(c) (1) Upon appropriation by the Legislature, the Employment Development Department and the board shall implement the plan developed pursuant to subdivision (b) to meet the reporting requirements of this chapter. Two years after the appropriation, the Employment Development Department and the board shall summarize and provide to the Legislature an initial report on the status of the implementation plan and the initial findings using the available data in alignment with subdivision (b).

(2) The report and findings required by paragraph (1) shall be provided to the Senate Committee on Business, Professions and Economic Development, Assembly Committee on Business and Professions, Senate Committee on Education, Assembly Committee on Education, Senate Committee on Labor, Public Employment and Retirement, and Assembly Committee on Labor and Employment. The report shall not include any personally identifiable information.

(3) Following the initial report in paragraph (1), the board and Employment Development Department shall annually update and include their findings in the report required to be submitted to the Legislature by subdivision (c) of Section 14211.

(4) If any portion of the reporting requirements of this section cannot be implemented absent further statutory change, the remaining requirements shall continue to be in effect.

(d) For purposes of this section, both of the following definitions shall apply:

(1) "Job training services" has the same meaning as "training services," as that term is defined in Section 3174(c)(3)(D) of Title 29 of the United States Code and the corresponding sections of the Code of Federal Regulations, and as that term is expanded on in paragraph (3) of subdivision (a) of Section 14211.

(2) "Local workforce development board" means a local workforce development board formed pursuant to Article 1 (commencing with Section 14200) of Chapter 4.

(3) "Participation in a job training service" shall mean participation in, but not necessarily completion of, the service.

(4) "Program" means a program under Title I of the federal Workforce Innovation and Opportunity Act or a grant program administered by the California Workforce Development Board.

(5) "Training-related job placement" means employment in an occupation or occupations directly related to the occupation or occupations for which the job training curricula is designed.

**SEC. 3.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.