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**SB-1321 Employment Training Panel: employment training program: projects and proposals. (2023-2024)**

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**Senate Bill No. 1321**

**CHAPTER 469**

An act to amend Sections 10200 and 10205 of the Unemployment Insurance Code, relating to employment.

[ Approved by Governor September 22, 2024. Filed with Secretary of State September 22, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 1321, Wahab. Employment Training Panel: employment training program: projects and proposals.

Existing law establishes the Employment Training Panel within the Employment Development Department and sets forth its powers and duties with respect to certain employment training programs. Existing law declares the intent of the Legislature that the purpose of provisions relating to the panel is to establish an employment training program to promote a healthy labor market in a growing, competitive economy and to fund only projects that meet specified criteria, including fostering retention of high-wage, high-skilled jobs in manufacturing. Existing law requires the panel, in funding projects that meet the above-described criteria, to give funding priority to projects that meet specified goals, including promoting the retention and expansion of the state's manufacturing workforce.

This bill would also include in the above-described goals, among other things, promoting the hiring, training, and advancement of disadvantaged, marginalized, and underrepresented workers. The bill would authorize projects funded under the above-described provisions to include programs to provide training through apprenticeship programs that are registered with the Division of Apprenticeship Standards.

Existing law requires the panel to solicit proposals for the purpose of providing employment training, as specified. Existing law requires the panel to, among other things, establish minimum standards for the consideration of proposals, including evidence of labor market demand. Existing law prohibits a proposal from being considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.

The bill would require the panel to also include within the above-described minimum standards, among other things, an attestation of compliance with all state and federal labor and health and safety laws. The bill would also require an applicant to include an attestation affirming the applicant does not have a final determination, order, judgment, or award issued against them for violations of the labor law, as specified, and would prohibit a proposal from being considered or approved if an applicant fails to include this attestation. By expanding the crime of perjury, this bill would impose a state-mandated local program. The bill would require the panel to provide a regularly updated list, at least every 60 days, and make the list available to the public, of all applicants that have submitted applications.

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 no reimbursement is required by this act for a specified reason.

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

**SECTION 1.** Section 10200 of the Unemployment Insurance Code is amended to read:

**10200.** The Legislature finds and declares the following:

(a) California's economy is being challenged by competition from other states and overseas. In order to meet this challenge, California's employers, workers, labor organizations, and government need to invest in a skilled and productive workforce, and in developing the skills of frontline workers. For purposes of this section, "frontline worker" means a worker who directly produces or delivers goods or services.

The purpose of this chapter is to establish a strategically designed employment training program to promote a healthy labor market in a growing, competitive economy that shall fund only projects that meet the following criteria:

(1) Foster creation of high-wage, high-skilled jobs, or foster retention of high-wage, high-skilled jobs in manufacturing and other industries that are threatened by out-of-state and global competition, including, but not limited to, those industries in which targeted training resources for California's small- and medium-sized business suppliers will increase the state's competitiveness to secure federal, private sector, and other nonstate funds, and, in addition, provide for retraining contracts in companies that make a monetary or in-kind contribution to the funded training enhancements.

(2) Encourage industry-based investment in human resources development that promotes the competitiveness of California industry through productivity and product quality enhancements.

(3) Result in secure jobs for those who successfully complete training. All training shall be customized to the specific requirements of one or more employers or a discrete industry and shall include general skills, including soft skills, that trainees can use in the future.

(4) Supplement, rather than displace, funds available through existing programs conducted by employers and government-funded training programs, such as the federal Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. Sec. 3101 et seq.), the Carl D. Perkins Vocational Education Act (Public Law 98-524), CalWORKs (Chapter 2 (commencing with Section 11200) of Part 3 of Division 9 of the Welfare and Institutions Code), the former Enterprise Zone Act (Chapter 12.8 (commencing with Section 7070) of Division 7 of Title 1 of the Government Code), and the McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11301 et seq.), the California Community Colleges Economic Development Program, or apportionment funds allocated to the community colleges, regional occupational centers and programs, or other local educational agencies.

(b) The Employment Training Panel, in funding projects that meet the requirements of subdivision (a), shall give funding priority to those projects that best meet the following goals:

(1) Result in the growth of the California economy by stimulating exports from the state and the production of goods and services that would otherwise be imported from outside the state.

(2) Train new employees of firms locating or expanding in the state that provide high-skilled, high-wage jobs and are committed to an ongoing investment in the training of frontline workers.

(3) Develop workers with skills necessary to work with new technologies or methods.

(4) Train workers who have been displaced, have received notification of impending layoff, or are subject to displacement, because of a plant closure, workforce reduction, changes in technology, or significantly increasing levels of international and out-of-state competition.

(5) Are jointly developed by business management and worker representatives.

(6) Develop high road, as defined in subdivision (r) of Section 14005, jobs and career ladders for workers with demonstrated wage progression and demonstrate high road training partnership, as defined in subdivision (s) of Section 14005, standards to ensure job quality.

(7) Promote the retention and expansion of the state's manufacturing workforce.

(8) Promote the hiring, training, and advancement of disadvantaged, marginalized, and underrepresented workers.

(c) The program established through this chapter is to be coordinated with all existing employment training programs and economic development programs, including, but not limited to, programs such as the federal Workforce Innovation and

Opportunity Act of 2014 (29 U.S.C. Sec. 3101 et seq.), the California Community Colleges, the regional occupational programs, vocational education programs, joint labor-management training programs, and related programs under the Employment Development Department and the Governor's Office of Business and Economic Development, and the Business, Consumer Services, and Housing Agency.

(d) Projects funded under this chapter may include programs to provide training through apprenticeship programs that are registered with the Division of Apprenticeship Standards.

**SEC. 2.** Section 10205 of the Unemployment Insurance Code is amended to read:

**10205.** The panel shall do all of the following:

(a) Establish a three-year plan that shall be updated annually, 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. The updated plan shall be submitted to the Governor and the Legislature not later than January 1 of each year. In carrying out this section, the panel shall review information in the following areas:

- (1) Labor market information, including the state-local labor market information program in the Employment Development Department and other relevant regional or statewide initiatives and collaboratives.
- (2) Evaluations of the effectiveness of training as measured by increased security of employment for workers and benefits to the California economy.
- (3) The demand for training by industry, type of training, and size of employer.
- (4) Changes in skills necessary to perform jobs, including changes in basic literacy skills.
- (5) Changes in the demographics of the labor force and the population entering the labor market.
- (6) Proposed expenditures by other agencies of the federal Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. Sec. 3101 et seq.) funds and other state and federal training and vocational education funds on eligible participants.

(b) Maintain a system to continuously monitor economic and other data required under this plan. If this data changes significantly during the life of the plan, the plan shall be amended by the panel. Each plan shall include all of the following:

- (1) The panel's objectives with respect to the criteria and priorities specified in Section 10200 and the distribution of funds between new-hire training and retraining.
- (2) The identification of specific industries, production and quality control techniques, and regions of the state where employment training funds would most benefit the state's economy and plans to encourage training in these areas, including specific standards and a system for expedited review of proposals that meet the standards.
- (3) A system for expedited review of proposals that are substantially similar with respect to employer needs, training curriculum, duration of training, and costs of training, in order to encourage the development of proposals that meet the needs identified in paragraph (2).
- (4) The panel's goals, operational objectives, and strategies to meet the needs of small businesses, including, but not limited to, those small businesses with 100 or fewer employees. These strategies proposed by the panel may include, but not be limited to, pilot demonstration projects designed to identify potential barriers that small businesses may experience in accessing panel programs and workforce training resources, including barriers that may exist within small businesses.
- (5) The research objectives of the panel that contribute to the effectiveness of this chapter in benefiting the economy of the state as a whole.
- (6) A priority list of skills or occupations that are in such short supply that employers are choosing to not locate or expand their businesses in the state or are importing labor in response to these skills shortages.
- (7) A review of the panel's efforts to coordinate with the California Workforce Development Board and local boards to achieve an effective and coordinated approach in the delivery of the state's workforce resources.
  - (A) The panel will consider specific strategies to achieve this goal that include the development of initiatives to engage local workforce development boards in enhancing the utilization of panel training resources by companies in priority sectors, special populations, and in geographically underserved areas of the state.
  - (B) Various approaches to foster greater program integration between workforce development boards and the panel will also be considered, which may include marketing agreements, expanded technical assistance, modification of program

regulations and policy, and expanded use of multiple employer contracts.

(c) Solicit proposals and write contracts on the basis of proposals made directly to it. Contracts for the purpose of providing employment training may be written with any of the following:

(1) An employer or group of employers.

(2) A training agency.

(3) A local workforce development board with the approval of the appropriate local elected officials in the local workforce development area.

(4) A grant recipient or administrative entity selected pursuant to the federal Workforce Innovation and Opportunity Act of 2014 (29 U.S.C. Sec. 3101 et seq.), with the approval of the local workforce development board and the appropriate local elected officials.

These contracts shall be in the form of fixed-fee performance contracts. Notwithstanding any provision of law to the contrary, contracts entered into pursuant to this chapter shall not be subject to competitive bidding procedures. Contracts for training may be written for a period not to exceed 24 months for the purpose of administration by the panel and the contracting employer or any group of employers acting jointly or any training agency for the purpose of providing employment training.

(d) Fund training projects that best meet the priorities identified annually. In doing so, the panel shall seek to facilitate the employment of the maximum number of eligible participants.

(e) (1) Establish minimum standards for the consideration of proposals, which shall include, but not be limited to:

(A) Evidence of labor market demand.

(B) The number of jobs available.

(C) The skill requirements for the identified jobs.

(D) The projected cost per person trained, hired, and retained in employment.

(E) The wages and amount of fringe benefits paid to successful trainees upon placement.

(F) An attestation of compliance with all state and federal labor and health and safety laws.

(G) The curriculum for the training.

(2) (A) No proposal shall be considered or approved that proposes training for employment covered by a collective bargaining agreement unless the signatory labor organization agrees in writing.

(B) No proposal shall be considered or approved if an applicant is ineligible to bid, be awarded, or subcontract on a public works project pursuant to Section 1777.1 or 1777.7 of the Labor Code.

(C) All applicants shall include in their application an attestation affirming the applicant does not have a final determination, order, judgment, or award has been issued against an applicant for violations of labor law that remain unabated or unsatisfied following the period during which an appeal may be made. No proposal shall be considered or approved if an applicant fails to include this attestation.

(f) Ensure the provision of adequate fiscal and accounting controls for, monitoring and auditing of, and other appropriate technical and administrative assistance to, projects funded by this chapter.

(g) Provide for evaluation of projects funded by this chapter. The evaluations shall assess the effectiveness of training previously funded by the panel to improve job security and stability for workers, and benefit participating employers and the state's economy, and shall compare the wages of trainees in the 12-month period prior to training as well as the 12-month period subsequent to completion of training, as reflected in the department's unemployment insurance tax records. Individual project evaluations shall contain a summary description of the project, the number of persons entering training, the number of persons completing training, the number of persons employed at the end of the project, the number of persons still employed three months after the end of the project, the wages paid, the total costs of the project, and the total reimbursement received from the Employment Training Fund.

(h) Report annually to the Legislature, by November 30, on projects operating during the previous state fiscal year. These annual reports shall provide separate summaries of all of the following:

(1) Projects completed during the year, including their individual and aggregate performance and cost.

(2) Projects not completed during the year, briefly describing each project and identifying approved contract amounts by contract and for this category as a whole, and identifying any projects in which funds are expected to be disencumbered.

(3) Projects terminated prior to completion and the reasons for the termination.

(4) A description of the amount, type, and effectiveness of literacy training funded by the panel.

(5) Results of complete project evaluations.

(6) A description of pilot projects, and the strategies that were identified through these projects, to increase access by small businesses to panel training contracts.

(7) A listing of training projects that were funded in high unemployment areas and a detailed description of the policies and procedures that were used to designate geographic regions and municipalities as high unemployment areas.

In addition, based upon its experience in administering job training projects, the panel shall include in these reports policy recommendations concerning the impact of job training and the panel's program on economic development, labor-management relations, employment security, and other related issues.

(i) Conduct ongoing reviews of panel policies with the goal of developing an improved process for developing, funding, and implementing panel contracts as described in this chapter.

(j) Expedite the processing of contracts for firms considering locating or expanding businesses in the state, in accordance with the priorities for employment training programs set forth in subdivision (b) of Section 10200.

(k) Coordinate and consult regularly with business groups and labor organizations, the California Workforce Development Board, the State Department of Education, the office of the Chancellor of the California Community Colleges, and the Employment Development Department.

(l) Adopt by regulation procedures for the conduct of panel business, including the scheduling and conduct of meetings, the review of proposals, the disclosure of contacts between panel members and parties at interest concerning particular proposals, contracts, or cases before the panel or its staff, the awarding of contracts, the administration of contracts, and the payment of amounts due to contractors. All decisions by the panel shall be made by resolution of the panel and any adverse decision shall include a statement of the reason for the decision.

(m) Provide a regularly updated list, at least every 60 days, and make the list available to the public, of all applicants that have submitted applications.

(n) Adopt regulations and procedures providing reasonable confidentiality for the proprietary information of employers seeking training funds from the panel if the public disclosure of that information would result in an unfair competitive disadvantage to the employer supplying the information. The panel shall not withhold information from the public regarding its operations, procedures, and decisions that would otherwise be subject to disclosure under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1 of the Government Code).

(o) Review and comment on the budget and performance of any program, project, or activity funded by the panel utilizing funds collected pursuant to Section 976.6.

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.