

Date of Hearing: April 11, 2023

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 1370 (Ta) – As Amended March 28, 2023

[Note: This bill is doubled referred to the Assembly Committee on Labor and Employment and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: California Community Colleges Economic and Workforce Development Program

SUMMARY: Revises and recasts several provisions of the California Community Colleges (CCC) Economic and Workforce Development Program (EWDP). The bill would extend the operation of the program indefinitely, and would repeal the Job Development Incentive Training Program. The bill would revise and recast the principles governing the EWDP, provisions on the duties and membership of the program's advisory committee, the decision criteria for allocating program funds to colleges, and the definitions that apply to the program's provisions.

Specifically, **this bill:**

- 1) Revises and recasts some provisions of the EWDP, specifying that the program operate according to certain principals, including:
 - a) Be responsive to the needs of employers, incumbent workers, and students;
 - b) Develop strong partnerships with the private sector, ensuring industry involvement in needs assessment, planning, work-based experiences, and program evaluation; and,
 - c) Adopt continuous improvement processes.
- 2) Revises and recasts some provisions of the EWDP mission statement, specifying that EWDP's mission is to:
 - a) Advance California's economic growth and global competitiveness through education, training, and services that contribute to economic mobility and continuous workforce improvement;
 - b) Advance California's economic and jobs employer-aligned education workforce training services and cross-discipline strategies to meet the needs of California's employers;
 - c) Use industry trends and student-centered labor market information to advise the chancellor's office and regional community college bodies on the workforce gaps and needs of California's employers, in accordance with both of the following:
 - i) To the extent possible, the EWDP will use the most current and up-to-date information available on economic conditions and labor market supply and demand data and analysis; and,
 - ii) The EWDP may also use its own resources to bolster and refine labor market, industry sector, and industry cluster analyses, including, but not limited to,

- identifying high-demand occupations or emergency labor shortages, and regional disparate impact data to fulfill its mission.
- d) Provide technical assistance, process improvement, logistical, technical, and communications infrastructure support that engenders alignment between the career technical education programs of the community college system and the needs of California's students, incumbent workers, and employers;
 - e) Collaborate and coordinate investment with other state, regional, or local agencies involved in education and workforce training in California, including, but not necessarily limited to, the Labor and Workforce Development Agency, the California Workforce Development Board, local workforce investment boards, the Employment Training Panel, the Governor's Office of Business and Economic Development, the State Department of Education, and the Employment Development Department;
 - f) Identify, acquire, and leverage community college and other financial and in-kind public and private resources to support innovative economic and workforce career mobility, student-centered outcomes, and the career technical education programs of the state's community colleges; and,
 - g) To work with small businesses, employers, labor, and professional trade associations to enable students and dislocated and incumbent workers to become more competitive in their region's labor market, increase competency, and identify career pathways to economic mobility.
- 3) Affirms that the CCC Board of Governors (BOG) may establish an advisory committee for the EWDP, and that the committee:
- a) Will advise on strategies for improving program outcomes, addressing student economic and career mobility, equity gaps, and skill shortages; and,
 - b) The membership may include, but is not limited to, all of the following: representatives from labor, business, community economic development, and appropriate state agencies; a student representative; a faculty representative; a classified employee representative; and one community college chief executive officer representative from each of the regions of the program.
- 4) Specifies that, at a minimum, the decision criteria for allocating grants and project funds to colleges will be based on each of the following:
- a) An assessment of how the funding results in measurable job placement and work-based learning outcomes that are evidence based and scalable for students and dislocated and incumbent workers;
 - b) An evaluation of the relevance of the funding to the labor market needs of the state and relevant region's competitive and emerging industry sectors and industry clusters, or to the state's need to fill skills gaps and skills shortages in the economy, including skills gaps and emergency labor shortages at the state and regional level;

- c) An assessment of the past performance of the college on student outcomes, as measured based on achievement of the systemwide goals identified in the Vision for Success adopted by the BOG in 2017;
 - d) An assessment of the college's performance on student outcomes and contractual financial management based on previous funding;
 - e) An assessment of the college's past performance on establishing effective and collaborative regional partnerships with key stakeholders, including, but not limited to, other colleges within the defined region, local workforce investment boards, economic development organizations, adult education providers, and other organizations with related career mobility missions;
 - f) An assessment of the grantee's capacity to identify, collect, analyze, disaggregate, and interpret relevant labor market information, wage data, college performance, and student-centered data to inform decision-making and equity-centered results.
 - g) An assessment of the college's capability to identify effective partner organizations and contractually manage subawards in order to reach stated student-centered outcomes and overall performance.
- 5) Specifies that the CCC chancellor's office must provide systemwide oversight and assessment of the economic and workforce development program, and will evaluate projects and programs to assess whether awardees achieved their stated student-centered outcomes and the overall effectiveness of the projects and programs.
- 6) Establishes that the CCC chancellor may establish program requirements, awardee eligibility requirements, and performance standards in the administration of the economic and workforce development program, and distribute funds as appropriate to implement the program.
- 7) Declares that the CCC chancellor may provide technical assistance to community colleges for the purpose of improving the data and outcomes of their proposals.
- 8) Requires the CCC chancellor, in awarding funds, to take into account colleges serving economically disadvantaged students in economically distressed urban and rural areas.
- 9) Revises and recasts the following definitions:
- a) "Career mobility" means strategic efforts that align, communicate, and intentionally connect the CCC system's learning infrastructure to prepare and maximize the talents and abilities of all students while they attend community college. "Career mobility" assumes a role of the system for upskilling and reskilling students throughout their working careers. "Career mobility" fundamentally recenters the system on activating college learning and supports across the student learning journey from enrollment, to credential completion, to career and economic mobility in the labor market.
 - b) "Center" means a comprehensive program of services offered by one or more community colleges or eligible organizations to an economic region of the state in accordance with criteria established by the CCC chancellor's office for designation as a EWDP center;

- i) Further establishes that a center will support, develop, and deliver direct services to students, businesses, colleges, labor organizations, employees, and employers. Direct services include, but are not necessarily limited to, data analysis of labor market information, college outcome and performance, and student-centered mobility; disaggregation of data to identify opportunity structures; intra-region and multi-region sector coordination and logistics; inventory of community college and other assets relevant to meeting student and labor market needs; curriculum development, curriculum model development, or job task analysis development; articulation of curriculum within a career mobility framework; college institutional research and data analysis functions; faculty training; implementation of continuous improvement learning; calibration to a career readiness or other assessment; assessment administration; career guidance module development or counseling; convenings, such as seminars, workshops, conferences, and training; facilitating collaboration between faculty working in related disciplines and sectors; upgrading, leveraging, and developing technology; and other educational services.
 - c) “Economic mobility” means the ability of an individual to improve their economic status through an increase in income.
 - d) “Emergency occupation” means an occupation that is in urgent demand due to the occurrence of a disaster event.
 - e) “Matching resources” means any combination of public or private resources, either cash or in-kind, derived from sources other than the EWDP funds appropriated by the annual Budget Act, that are determined to be necessary for the success of the project to which they are applied. The criteria for in-kind resources shall be developed by the CCC BOG, with advice from the CCC chancellor, and must be consistent with generally accepted accounting practices for state and federal matching requirements. The ratio of matching resources to EWDP funding will be determined by the CCC BOG.
 - f) “Opportunity structure” means a matrix that relates personal characteristics, such as age, disability, race, gender, education, and financial status, to the cultural and social opportunities and options that are available to an individual throughout their life.
 - g) “Region” means a geographic area of the state defined by economic and labor market factors containing at least one industry cluster and the cities, counties, or community college districts, or all of them, in the industry cluster’s geographic area. For the purposes of this chapter, and to the extent possible, “CCC economic development regions” shall be designated by the BOG based on both of the following factors:
 - i) Alignment with the federal Workforce Innovation and Opportunity Act (Public Law 113-128) regional planning unit boundaries specified in the California Strategic Workforce and Development Plan; and,
 - ii) Integration and expansion of existing regional collaboratives and consortium infrastructures used by the California Community Colleges.
- 10) Establishes that it is the intent of the Legislature that:

- a) Programs and services provided through the EWDP will be flexible, focused on career mobility for students and dislocated and incumbent workers, and responsive to the needs of employers and employees. Services will be demand driven, and delivery structures must be agile, performance oriented, cost effective, results oriented, and contribute to regional economic growth and competitiveness. The use of EWDP centers, local economic development corporations, industry-driven regional collaboratives, and business networks, employers, and service providers will provide a stable and flexible response mechanism for the identification of training priorities and to focus resources on intensive projects for competitive and emerging industry sectors, including the identification of potential remote employment opportunities;
 - b) Centers will be established as an extension of the CCC chancellor's office and as the long-term network for student-centered service delivery, innovation, continuous improvement, and initiative effectiveness. Centers will deliver services for the strategic initiative areas pursuant to the mission of the community colleges economic and workforce development program and provide regional sites to evaluate all of the following:
 - i) The effectiveness of initiatives to achieve evidence-informed outcomes in alignment with the systemwide goals identified in the Vision for Success adopted by the BOG in 2017;
 - ii) The effectiveness of initiatives to achieve job placement and work-based learning outcomes for students; and,
 - iii) The effectiveness of initiatives to effectively respond to employer and worker needs.
 - c) The chancellor's office fund initiatives that enable districts to be responsive to the labor and skills needs of employers and students, meet the demand for new and emerging industry growth sectors, address urgent employer needs due to a disaster event, respond to critical need labor shortages, and be formed, modified, eliminated, and reformed for short- or long-term responses customized to the duration of the identified labor and skill need.
- 11) Establishes that EWDP centers and CCC participation in industry-driven regional collaboratives may provide any or all of the following services and perform the following functions as participants of networks, including, but not necessarily limited to, all of the following:
- a) Measurement and analysis of student outcomes from the implementation of workforce development initiatives, including development and use of scorecards, equity metrics, and other assessment tools, as needed. Key measurement factors may include, but are not limited to, all of the following:
 - i) Student job placement data, including student first job status, underemployment, and wage metrics;
 - ii) Regional availability of programs providing high-wage opportunities across student populations, including students of color;

- iii) Work-based learning data;
 - iv) Data on participation of students of color in initiatives;
 - v) Data on participation of underserved student population in initiatives;
 - vi) Number of employers engaged in the development of initiatives;
- 12) Repeals the Job Development Incentive Training Program.
- 13) Requires the CCC chancellor to implement funding analysis and performance accountability outcome measures for the economic and workforce development program that provide the Governor, Legislature, and general public with information that quantifies the effectiveness of the EWDP program and student outcomes for those participating in the program based on achievement of the systemwide goals identified in the Vision for Success adopted by the board of governors in 2017. These measures should, to the extent possible, align with the performance accountability measures of the federal Workforce Innovation and Opportunity Act, as specified.
- 14) Repeals the January 1, 2025, EWDP sunset.
- 15) Makes various technical and non-substantive changes.

EXISTING LAW:

- 1) Establishes the CCC EWDP to, among other things, advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. Additionally, the CCC EWDP:
 - a) Authorizes the CCC BOG of the CCC to award grants and project funds for the program, as specified.
 - b) Establishes the Job Development Incentive Training Program as a component of the CCC EWDP.
 - c) States the intent of the Legislature that the Job Development Incentive Training Program provide training on a no-cost or low-cost basis to participating employers who create employment opportunities at an acceptable wage level for the attainment of self-sufficiency by specified groups.
 - d) Requires the CCC EWDP to be implemented only during those fiscal years for which funds are appropriated for its purposes.
 - e) Repeals the California Community Colleges Economic and Workforce Development Program on January 1, 2025. (Education Code (EDC) Section 88600 et seq.)

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose.* According to the author, “AB 1370 would modernize the [CCC EWDP] and prioritize equitable student outcomes, work-based learning, and career and economy mobility. AB 1370 ultimately would put the money that’s currently allocated to this program to modernize this program and give students the tools to choose to go into a workforce that is in great need of new workers.”

The CCC Chancellor’s Office, the sponsor of AB 1370 (Ta), notes that “Since it was first established in statute in 1991, the EWD Program has prepared students to be work ready, world ready, and for the future of work. During the same time period, California’s population has grown more diverse while its economy has evolved with information technology, automation, and clean technologies. If left to a 1990s framework, the impact the EWD Program can have upon the careers of students is limited. The EWD Program must be updated to meet economic and demographic changes so that California maintains a competitive workforce advantage. As currently structured, the EWD Program has not centered on student outcomes, including student retention and career goals, nor is it guided by an equity framework. In addition, the California Community Colleges’ *Vision for Success* goals and the Governor’s Roadmap for Higher Education are not reflected in the EWD Program. EWD statutory updates are further needed to align the program with recent policy reforms that have a direct impact on EWD program efforts, including AB 927 (Medina, 2021).”

The author and sponsor contends that AB 1370 modernizes the EWDP in three ways:

- 1) Utilizes market and other data to meet and anticipate the needs of students, workers, and employers.
- 2) Creates alignment with recent national and statewide policy reforms.
- 3) Updates the program’s operational structures so that the EWD Program will be faithfully administered and implemented.

Vision for success and Governor’s Roadmap. In 2017, the CCC Board of Governors adopted the Vision for Success, a comprehensive framework to improve student outcomes by closing achievement gaps, increasing degree and certificate attainment, increasing transfers to four-year institutions, reducing excess unit accumulation by students, and provides the necessary skills for gainful employment. The Vision for Success has acted as the foundation supporting financial and educational decisions of the system to produce student-driven results. Incorporated within the Vision for Success was the implementation of Guided Pathways across all community college campuses.

The Vision for Success included five primary goals. They are:

- 1) Increase completion of degrees, credentials, certificates, and job-specific skill sets by 20% by 2022.
- 2) Increase transfers to UC and CSU by 35% by 2022.
- 3) Decrease the average number of units accumulated by associate degree earners to 79 units by 2022 (down from an average of 87 units in 2017).

- 4) Increase the number of exiting CTE students employed in their field of study to 76% by 2022 (up from 60% in 2017)
- 5) Reduce equity gaps by 40% across all of the above measures by 2022, and fully close those gaps by 2027; including regional gaps.

Governor Newsom and the CCC Chancellor's Office entered into a multi-year roadmap containing mutually prioritized goals, expectations, and accompanying outcome measures. These expectations are modeled after the Vision for Success, and include:

- 1) Increase the percentage of students earning degrees, certificates and specific skill sets for in-demand jobs by 20% by 2026.
- 2) Increase the percentage of TK-12 students who graduate with 12 or more college units earned through dual enrollment by 15%.
- 3) Focus on establishing or expanding programs that address workforce needs in healthcare, climate action, education and early education.
- 4) Increase the number of transfers to the UC or CSU in proportion to enrollment growth in those systems.
- 5) Annually publish, for all colleges, the 2-year associate degree graduation rate and the share of first-time students who have successfully completed at least 30 units before entering their second year, disaggregated for underrepresented and Pell students.
- 6) Establish pathways in those fields from high school through university, including development of Associate Degree for Transfer and transfer pathways along with dual enrollment opportunities that ensure transfer of community college credits toward degree programs.
- 7) Decrease the median units to completion in excess of 60 by 15% of the units, and establish systemwide stretch goals regarding the number of students completing or transferring within the minimum amount of time necessary.
- 8) Establish a baseline for credit for prior learning (CPL) offerings and increase these offerings annually. Increase systemwide access and enrollment into direct-assessment competency based education (CBE) programs by 15 percent.
- 9) Improve systemwide graduation rates, transfer rates, and time to completion among underrepresented, Pell Grant recipients, and disabled students to meet the average of all students by 2026.
- 10) Close equity gaps in access to dual enrollment programs.
- 11) Increase the percentage of completing students who earn a living wage by 15%.

Removal of the Job Development Incentive Training Program. AB 1370 (Ta) seeks to remove the Job Development Incentive Training Program. According to information provided by the

CCC Chancellor's Office, this grant program is no longer used, and can be removed from the EWDP.

Removal of sunset. The author seeks to remove the sunset on the EWDP. The sponsor contends that the EWDP has been operative for over 30 years and has provided funding for workforce development, while being renewed time and again. *Committee staff notes* that sunset provisions provide opportunities for the Legislature to review and assess the effectiveness of programs; however, the EWDP continues to contain reporting requirements to the Governor and Legislature. This report includes, but not necessarily be limited to, both of the following:

- 1) Sufficient information to ensure the understanding of the magnitude of expenditures, by type of expenditure, including those specified in Section 88625, disaggregated by industry sector or cluster, region, and type of grant.
- 2) Data summarizing outcome accountability performance measures required by this section.

Arguments in support. The Student Senate for the California Community Colleges wrote in support of AB 1370 (Ta), noting that "AB 1370 requires the effective use of data to guide the EWD Program's work and help it grow California's middle-class. A data-informed approach will assist employers in need of skilled workers, and will allocate resources to fill high-demand occupations, particularly in moments of emergency labor shortages. We support AB 1370's commitment to put data at the center of the EWD Program so that it is focused on both present and future market needs."

"This bill will better connect students, employers, and workers to each other in the communities where they live. Under AB 1370, regional centers will work with small businesses and employers to enable greater competitiveness and career mobility, not just for students, but also for dislocated and incumbent workers in a modern economy, including through remote employment and networking opportunities."

The California Chamber of Commerce wrote in support of AB 1370 (Ta), writing that "This bill will better connect students, employers, and workers to each other where they live. Under AB 1370, regional centers will work with small businesses and employers to enable greater competitiveness and career mobility for students and dislocated and incumbent workers in a modern economy, including through remote employment and networking opportunities."

REGISTERED SUPPORT / OPPOSITION:

Support

California Chamber of Commerce
California Community Colleges Chancellor's Office
Rancho Santiago Community College District
Student Senate for California Community Colleges

Opposition

None on file

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960