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Preface

The Labor and Workforce Development Agency and the California Workforce Development Board (State Board) are pleased to present California’s Strategic Workforce Development Plan: Skills Attainment for Upward Mobility; Aligned Services for Shared Prosperity. This plan combines both federal and state planning mandates into a single document:

- The federal Workforce Investment Innovation and Opportunity Act (WIOA) requires the Governor, via the California Workforce Development Board (State Board), and in coordination with WIOA core programs operated by the California Department of Education (CDE), the Employment Development Department (EDD), and the Department of Rehabilitation (DOR), to submit a unified state plan to the United States Department of Labor (DOL) and the United States Education Department (ED).

  - This Unified Plan outlines a comprehensive four-year strategy for the investment of federal workforce training and employment services dollars in a manner that aligns, coordinates, and when appropriate, integrates service delivery for the six core programs funded under WIOA. These programs include Title I Adult, Dislocated Worker, and Youth programs, Title II Adult Basic Education and Basic Skills programs, Title III Wagner-Peyser Employment Services programs, and Title IV Vocational Rehabilitation services.

  - This plan also provides a framework for aligning other relevant state and federally funded workforce, education, and human services programs, and in this manner, lays the groundwork for moving the State of California toward the policy objectives of a WIOA combined plan. To this end, the plan initiates the expansion of partnership beyond core programs to other relevant programs such as Temporary Assistance to Needy Families (TANF), Carl Perkins K-14 Career and Technical Education (CTE) programs, California’s Employment Training Panel (ETP) incumbent worker training services, as well as state general-funded Adult Basic Education Block Grant programs administered by regional consortia under state statutes, and, as appropriate, state funded Career Technical Education (CTE) programs delivered through both the K-12 educational system and California’s community colleges.

  - While this plan aspires to the policy objectives of a combined plan, it is not a combined plan and is not being submitted in lieu of other plans required by the federal government of state plan partners under a
combined plan. For purposes of federal compliance, this State Plan should be treated as a unified plan.

- California state law requires the State Board to collaborate with the Chancellor of the California Community Colleges, CDE, other appropriate state agencies, and local workforce development boards (Local Boards) to develop a comprehensive state plan that serves as a framework for public policy, fiscal investment, and the operation of all state labor exchange, workforce education, and training programs.
  - State law specifically directs the State Board to develop a plan that fosters the building of regional alliances between workforce and education professionals and employers to develop programs that meet industry’s workforce needs.
  - State planning requirements anticipate and are consistent with the policy direction prescribed in WIOA. This State Plan meets state requirements pertaining to coordination of services and investment in training in a manner that aligns with regional industry needs by making regional organizing efforts around career pathways aligned with regional labor market trends and industry needs, a key focus of the regional workforce plans required under WIOA Section 106. By doing so, this State Plan is designed to meet both state and federal planning requirements while also providing a comprehensive framework for partnership between private industry sector leaders and the state’s publically-funded workforce and education systems.

The chapters that follow lay out the Governor’s vision, goals, and strategic policy orientation for the State Plan. Early chapters provide background and an overview of the general policy orientation informing the plan. Later chapters provide more concrete consideration of service delivery and program coordination strategies that will inform day to day operations at the state, local, and regional levels. In line with the principle of subsidiarity and the belief that government is most responsive to public needs when operating closer to the people it serves, the state intends to provide flexibility to Local Boards and regional partnerships to design programs that best meet the needs of local and regional economies, provided that they adhere to the policy vision of the State Plan in a manner that produces results.

**A Brief Note on Process**

The original draft of the State Plan was collaboratively developed and thoroughly vetted by a range of stakeholders.
Beginning in December of 2014, state partner departments, and stakeholders representing Local Boards, business, and labor, publically meet periodically under the auspices of the WIOA Implementation Committee Workgroup (WIOA Workgroup) of the State Board. This group worked collaboratively to develop the vision, programmatic strategy, and shared goals for the State Plan.

Between bimonthly WIOA Workgroup meetings, staff workgroups comprised of high level policy staff assigned by state partner departments and agencies met together and with stakeholders to help develop the content of the plan. Participants included staff from the State Board, CDE, the Community College Chancellor’s Office (CCCO), EDD, DOR, the Department of Social Services (DSS), ETP, the California Workforce Association (CWA), the California Welfare Directors Association, and designated representatives of Local Boards.

Initially, three multiagency staff and stakeholder workgroups were formed to discuss the State Plan. These included a “Mapping the Field” workgroup, a “Data-Sharing and Performance Accountability” workgroup, and a “Local and Regional Service Coordination” workgroup.

Over the course of March and April 2015, these three staff workgroups each met twice. During these six meetings, workgroups discussed the requirements of WIOA, assessed and shared information about each other’s programs (including the special needs of client populations), identified cross-system common program elements, identified program core competencies, discussed performance accountability systems by program type, engaged in a process of needs assessment, and discussed resource and regulatory constraints and their potential impacts on coordination efforts. The purpose of these meetings was to identify areas for potential collaboration under a comprehensive state plan, particularly at the regional and local levels where programs could be coordinated and aligned “on the ground” at the point of contact.

Following this series of meetings between staff workgroups, a series of high level “bilateral” meetings were initiated by the State Board to develop more specific input into the State Plan from the leadership of the various state planning partners (the State Board, CDE, CCCO, EDD, DOR, DSS and ETP) and other stakeholders (The California Welfare Directors Association (CWDA) and the CWA).

During bilateral meetings, baseline information developed by staff workgroups was used to frame conversations, and identify what partners could and could not do at the state, regional, and local levels, to align and coordinate services across the programs participating in the planning process.
Following these bilateral conversations, seven issue, operations, and program specific workgroups continued to develop content for the State Plan. These workgroups included each of the following: CDE-CCCO-State Board workgroup on adult education, basic skills, and Carl Perkins programs; a DOR-State Board workgroup on vocational rehabilitation services; a DSS-CWDA-State Board workgroup on TANF programs; a State Board and CWA workgroup on youth services; an EDD-State Board-DOR-DSS-CCCO-Local Board workgroup on American Job Centers of California (AJCC) (the One-Stop Design Workgroup); an EDD-State Board workgroup on labor market information; and the Data-Sharing and Performance Accountability workgroup. In addition, State Board staff met with representatives of the Section 166 Indian/Native American grantees and the Section 167 Migrant/Seasonal Farmworker grantees to solicit input into the state planning process.

All State Board workgroup efforts were overseen by the Labor and Workforce Development Agency (LWDA) which met with the State Board and EDD periodically over the course of the planning process to ensure timely adoption of a state plan.

The content of this draft State Plan reflects the collective thinking of agencies and partners involved in the planning process. This is a draft plan and is now being provided to the public for comment. Based on public comment, the plan will be revised in January 2016 and submitted to the federal government in March of 2016.

**Note on the Organization of the State Plan**

The content and organization of the State Plan is designed to provide a comprehensive overview of the Governor’s policy focus while also serving as a federal compliance document. Due to redundancies in planning guidance and the need to ensure compliance with federal planning requirements, some content contained in this plan appears in multiple chapters as well as the plan’s Appendices. Such duplication was minimized as much as possible.

In general, the language contained in the Executive Summary and chapters 1-5 provide background and a broad overview on the policy objectives and strategies that guide the plan. These chapters have been developed with readability in mind. Beginning in chapter 6, the language necessarily becomes more technical as a consequence of plan requirements issued by the federal government.
Executive Summary Including Statement Pertaining to Vision and Goals (Corresponding to Strategic Planning Elements Required Under WIOA Sec. 102(b)(1)(D)

Policy Objectives
Consistent with WIOA, the State Board has developed its State Plan with three policy objectives in mind:

- **Fostering “demand-driven skills attainment”**. Workforce and education programs need to align program content with the state’s industry sector needs so as to provide California’s employers and businesses with the skilled workforce it needs to compete in the global economy.
- **Enabling upward mobility for all Californians**, including populations with barriers to employment. Workforce and education programs need to be accessible for all Californians and ensure that everyone has access to a marketable set of skills and is able to access the level of education necessary to ensure economic self-sufficiency and security.
- **Aligning, coordinating, and integrating programs and services** to economize limited resources while also providing the right services to clients, based on each client’s particular and potentially unique needs so as to facilitate skills-attainment.

In furtherance of these policy objectives, the Secretary of Labor and Workforce Development, the State Board Chair, and the Community College Chancellor have agreed to quantitative goals which the state will use to measure the state’s progress towards obtaining its policy objectives.

State Plan Goals
Between 2017 and 2027, the state will produce a million “middle-skill” industry-valued and recognized postsecondary credentials broadly defined here as sub-baccalaureate credentials with demonstrable labor market value, including industry-recognized certificates, or certifications, or certificates of completion of apprenticeship, or professional licenses, recognized by California or the federal government, as well as industry-valued associate degrees that facilitate movement into either the labor market or longer term educational programs aligned with the state’s workforce needs. During this time the state will also double the number of people enrolled in apprenticeship programs.
Framework for Program Assessment

The state will assess the overall effectiveness of the workforce system and those educational programs that support and work with it on the basis of their collective ability to produce industry-valued, recognized postsecondary credentials and apprenticeship enrollments as defined above.

Specifically, the state will emphasize “demand-driven skills-attainment” in the policies it sets pertaining to local and regional workforce plans and program performance goals will be consistent with this policy direction. For example, in setting performance standards for Local Boards, the state will give great weight to WIOA performance measures related to skills attainment, program completion, and credential attainment, and will validate the labor market value of programs by examining the employment and wage outcomes of the individuals served.

The State Board will also work with regionally organized Local Boards and other state plan partners to determine the extent to which persons receiving training and education services aligned with regional industry needs are actually obtaining employment in occupations and sectors directly related to their programs of study.

Developing the capacity for tracking employment related to training and education programs of study will require the study and development of an operational plan for collecting the relevant information. The State Board will work with EDD and Local Boards to build this capacity.

General Policy Framework for Program Alignment

State Plan Policies

The state will employ and will require state plan partners to adopt or participate in (to the extent appropriate for each program), seven policy strategies that frame, align, and guide program coordination at the state, local, and regional levels. These policies (discussed in further detail in the section on strategies, tactics, and resources) will include the following:

- Sector strategies: aligning workforce and education programs with leading and emergent industry sectors’ skills needs.
- Career pathways: enabling of progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skills development corresponds with a labor market payoff for those being trained or educated.
• Regional partnerships: building partnerships between industry leaders, workforce professionals, education and training providers, and economic development leaders to develop workforce and education policies that support regional economic growth.
• “Earn and learn”—using training and education best practices that combine applied learning opportunities with material compensation while facilitating skills development in the context of actual labor market participation.
• Supportive services: providing ancillary services like childcare, transportation, and counseling to facilitate program completion by those enrolled in training and education courses.
• Creating cross-system data capacity: using diagnostic labor market data to assess where to invest, and also, the use performance data to assess the value of those investments.
• Integrated service delivery: braiding resources and coordinating services at the local level to meet client needs.

This State Plan provides the policy framework and direction for day-to-day operations of WIOA funded programs. The role of state agency and state department plan partners under this plan is to provide policy direction, program oversight, support, and technical assistance for and to local and regional service providers covered by the plan. State plan partners include the following:

• Labor and Workforce Development Agency (LWDA)
• California Workforce Development Board (CWDB)
• California Community Colleges’ Chancellor’s Office (CCCO)
• California Department of Education (CDE)
• California Board of Education
• Employment Development Department (EDD)
• Employment Training Panel (ETP)
• Department of Rehabilitation (DOR)
• Department of Social Services (DSS)
• Health and Human Services Agency (HHS)
• Employment Training Panel (ETP)
• Governor’s Office of Business and Economic Development (Go-Biz)

Regional Plans and “Regional Sector Pathways”
Regional plans and partnership required by WIOA will function under this State Plan as the primary mechanism for aligning educational and training provider services with regional industry sector needs.

Alignment at the regional level will be accomplished through the regional implementation of three of the seven policy strategies emphasized by the State Plan. These include sector strategies, career pathways, and organized regional partnerships. All three of these policies will be required under the regional planning guidance issued by the State Board to Local Boards organized into the regional planning units required under WIOA Section 106.

A primary objective and requirement of regional plans will be to work with community colleges and other training and education providers, including the state’s Adult Education Block Grant regional consortia to build “regional sector pathway” programs, by which we mean, career pathway programs that result in the attainment of industry-valued and recognized postsecondary credentials aligned to regional industry workforce needs.

The State Board, working alongside other state agencies such as CCCO, CDE, EDD, and Go-Biz will provide technical assistance to regional partnerships, comprised of industry leaders, workforce professionals, and regional training and education providers to help align programs and services delivered with industry sector workforce needs.

Under the State Plan, the key regional partners involved with the development and implementation of regional plans will include the following:

- Industry sector leaders, associations, and business organizations
- Regionally organized local workforce development boards
- Local economic development agencies
- Regional consortia of community colleges
- Regional consortia of adult basic education providers (including both WIOA Title II and other state-funded basic education programs)
- Representatives of K-12 CTE programs funded by either federal Perkins funds or various state-specific CTE funding streams, when relevant county offices of education and other local educational agencies determine that participation will benefit the students participating in their CTE programs

Additional regional partners may also include ETP (California’s state-funded incumbent worker training program); DOR; and County Welfare Agencies. These entities may wish to participate in regional plans and the regional planning process to
leverage the employer engagement efforts required and made central to regional planning.

The State Board will encourage and recommend broad and inclusive partnerships, but will grant considerable flexibility for Local Boards and their partners to determine the nature, scope, and depth of these partnerships based on local and regional needs and priorities as long as regional plans and partnerships are consistent with the policy direction and goals of this State Plan.

Regional efforts under WIOA are expected to build upon the State Board’s regional SlingShot initiative discussed later the State Plan.

Local Plans and American Job Centers of California

Under the State Plan, the purpose of local workforce plans and partnerships is to facilitate access to workforce services at the local level.

Local workforce development plans will ensure a baseline level of WIOA core program alignment compliant with federal regulations at the local level, in and through the American Job Centers of California (the state’s One-Stop system, so that program services are coordinated, and when appropriate, integrated to make accessible a menu of customizable services available to clients on the basis of client needs.

Under this State Plan and all relevant policies issued by the state concerning One-Stop design, operations, and partnerships, locals will be directed to operate One-Stops as an access point for programs that provide for “demand-driven skills attainment.” From this perspective, One-Stops will be operated as an “on ramp” or “gateway” to the “Regional Sector Pathways” programs either built-out or identified through the regional planning process described above.

One-Stops will continue to provide the full menu of One-Stop services, now known under WIOA as “career services”, they have historically provided and One-Stops will continue to function as labor exchanges but there will be much greater emphasis on treating AJCCs as an access point for education and training services for those who want and need it. Further detail on One-Stop design and the operation of the AJCC is provided in the body of the State Plan.
Chapter 1: Background on California’s Economy, Labor Market, and Workforce (Corresponding to Strategic Planning Elements Required Under WIOA Sec. 102(b)(1)(A)

The chapter provides the economic and workforce analysis required under DOL planning guidance, including information pertaining to economic conditions in the state, in-demand and emergent industries and occupations, employment and unemployment, the education and skills levels of the workforce, and demographic information, including information on individuals with barriers to employment.

A more thorough analysis is found in Appendix F which provides much more information for the all the areas mentioned above, including information on the state’s nascent research pertaining to skills gaps analysis and information on the knowledge skills and abilities needed by employers in select occupations. Appendix G provides regional economic and workforce profiles for areas of the state that will be engaged in regional planning efforts under the policy direction of this State Plan.

California’s Economy is Big and Growing

With a gross domestic product (GDP) of over $2.1 trillion in 2014, a labor market with more than 19 million participants, and a nonfarm economy with over 16 million jobs, California has the largest economy of any state in the nation. Between 2009 and 2014, the economy grew by $198 billion, growing 1.1 percent in 2010, 1.2 percent in 2011, 2.5 percent in 2012, 2.3 percent in 2013, and 2.4 percent in 2014. Between February 2010 and February 2014, California recovered the 1.3 million jobs it lost during the Great Recession and the state is currently enjoying sustained economic growth, both in terms of GDP and jobs.

The Great Recession and Its Aftermath

U.S. economic business cycles are officially arbitrated and dated by the National Bureau of Economic Research (NBER) based on their analysis of a basket of economic indicators, including real GDP, real income, employment, industrial production, and wholesale-retail sales. According to NBER, the U.S. Great Recession began December 2007 and ended in June 2009. California’s economy, however, entered recession in July 2007 and emerged from recession later than the nation as a whole, beginning its recovery seven months later in February 2010. Relevant details pertaining to the recession include the following:

1 By convention, economists date state business cycles by the peaks and troughs in total nonfarm payroll employment. Based on this criterion, California’s economy entered recession earlier than the nation in July 2007 and emerged from recession later, in February 2010.
• California lost 1,333,000 nonfarm jobs from July 2007 through February 2010, a decline of 8.6 percent, and about one of every twelve of the state’s nonfarm jobs.

• By the time the recession ended, all of California industry sectors had experienced substantial job losses with one notable exception.
  - Educational and health services added 117,800 jobs over the period.
  - Construction (335,900) experienced the largest job loss in number over the period, followed by trade, transportation, and utilities (311,000).
  - Three additional industry sectors lost more than 100,000 jobs: manufacturing (226,100), professional and business services (222,500), and financial activities (137,700).

• Additionally, all regional labor markets in the state experienced substantial job losses during the recession.\(^2\)
  - The Southern regional labor market, which includes Los Angeles, Ventura, Orange, Riverside, and San Bernardino Counties, lost 689,900 jobs.
  - Nonfarm job losses in the state’s seven remaining regional labor markets ranged from a high of 251,000 in the San Francisco Bay Area to a low of 5,300 jobs in the Eastern Sierra, the state’s smallest regional labor market (which includes Amador, Calaveras, Inyo, Mono, Mariposa, and Tuolumne Counties).

• Overall unemployment in California skyrocketed during the Great Recession. From its pre-recession low of 4.9 percent during the months of March 2006 through December 2006, California’s seasonally adjusted unemployment rate rose by 7.3 percentage points to a peak of 12.2 percent in the months of February through April and September and October of 2010.

• The number of unemployed rose from a pre-recession low of 859,000 persons in August and September 2006 to a peak of 2,231,000 in October 2010, an increase of nearly 1.4 million persons (160 percent).

• All of California’s regional labor markets experienced steep increases in unemployment during the Great Recession.

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\(^2\) July 2007 through July 2010 is the period of time that best approximates the July 2007 to February 2010 recession when using unadjusted data. Seasonal adjustment is a statistical technique that models and filters out normal and predictable seasonal patterns of employment that are associated with recurring events during the calendar year such as the beginning and end of the school year or the holiday season. Once seasonality is removed from a data series, observed changes between any two points in time are presumed to reflect economic factors. Although seasonally adjusted total nonfarm employment data are available for most California metropolitan divisions and statistical areas, several areas of the state are uncovered. As such, a thorough analysis of regional and area job growth trends requires the use of not seasonally adjusted jobs data. The most effective way to filter seasonality out of not seasonally adjusted data is to compare like months in a year.
Unemployment rate increases in California’s regional labor markets over this same period ranged from a low of 5.9 percentage points in the San Francisco Bay Area and Coastal regional labor markets to a high of 8.8 percentage points in San Joaquin Valley.

The unemployment rate in each of California’s 58 counties rose by 4.0 percentage points or more.

- All demographic groups experienced rising unemployment:
  - The unemployment rate among California men rose by 8.1 percentage points compared to 6.4 percent among women.
  - Unemployment rates rose among all of California’s major racial and ethnic groups between March 2007 and December 2010, with the largest increase occurring among African Americans (9.8 percentage points) and Latinos (9.2 percentage points) and the smallest increases occurring among Asians (6.0 percentage points) and Whites (7.3 percentage points).
  - Unemployment was strongly correlated with age (work experience) and education (skill level), with inexperienced youths and less educated or unskilled workers suffering most.
    - The unemployment rate among youths age 16 to 24 increased from 10.8 percent in March 2007 to 22.8 percent in December 2010. In contrast, the unemployment rate among prime working age Californians age 25 to 54 increased from 3.9 percent in March 2007 to 10.9 percent in December 2010.
    - The unemployment rate among California workers who attained less than a high school diploma shot up from 9.3 percent in March 2007 to 19.1 percent in December 2010, an increase of 9.9 percentage points.
    - High school diploma holders and workers who had attended some college but hadn’t received a degree fared little better, experiencing unemployment rate increases of 9.7 and 9.3 percentage points, respectively.
    - In contrast, the unemployment rate among associate degree holders and those with a bachelor’s degree or higher increased by 6.5 and 4.0 percentage points over the same period. The unemployment rate among workers with a Bachelor’s degree or higher stood at just 6.7 percent in December 2010.

- In real terms, California GDP fell from $2.0 trillion in 2008 to $1.9 trillion in 2009, a decrease of 4.4 percent. The state lost $88 billion in economic activity in a single year.

**Economic Recovery in the Aggregate**

California total nonfarm employment finally bottomed out in February 2010 and the economy has been expanding ever since. However, the recovery from the recession was initially a slow and arduous process. It took until February 2014 for California to
recover the 1,333,000 nonfarm jobs it lost during the 31-month period from July 2007 to February 2010. Fortunately, California’s economic and employment growth since February 2014 has been strong:

- California total nonfarm payrolls grew by 2,027,700 jobs from February 2010 through July 2015, an increase of 14.4 percent over this 65-month period.
- Over the first 22 months of the expansion, or from February 2010 through December 2010, the California economy added 342,200 jobs, growing 15,600 nonfarm jobs per month or 1.3 percent.
- Beginning in 2012, California’s economic expansion took off. The state gained 1,685,500 jobs from December 2011 through July 2015, growing at a remarkably consistent pace of 39,200 jobs per month, or 3.3 percent annually.
- Ten of California’s eleven industry sectors gained jobs including the following:
  - Professional and business services added 412,000 jobs, the most of any sector over this period.
  - Educational and health services added 391,100 jobs.
  - Leisure and hospitality added 274,400 jobs.
  - Trade, transportation, and utilities added 253,500 jobs.
- In percentage terms, construction enjoyed the fastest job growth, growing at an annualized pace of 7.3 percent.
- Looking at the entire February 2010 to July 2015 expansion, professional and business services gained the most jobs, 541,200 with half, or about 273,000 jobs, occurring in the professional, scientific, and technical services subsector. Educational and health services had the second largest job gain with 454,500, four-fifths of which occurred in the health care and social assistance subsector.

In July 2015, California total nonfarm employment exceeded its pre-recession peak in July 2007 by 694,700 jobs. In this same month, employment increased in six industry sectors: educational and health services; professional and business services; leisure and hospitality; other services; trade, transportation, and utilities; and mining and logging. However, as of July 2015, employment in five industry sectors had yet to return to their July 2007 levels. These included the following: manufacturing, construction, financial activities, government, and information.

**Demand and Growth Industries in the Recovery**

Four industry sectors have driven the expansion: professional and business services; educational and health services; leisure and hospitality; and construction (even though employment still has not returned to July 2007 levels in construction). Within
these sectors are a range of high, middle, and low paying industries. However, the drivers of California’s economy have been in the high technology and information services subsectors (including social media), international trade, and in the recovering housing market. Table 1, on the next page, details the California industry subsectors that experienced the largest job gains and grew at the fastest rate over the three years ending in July 2015.³

- Several information technology industries are among California’s fastest growing industries, including: other information services; data processing, hosting, and related services; computer systems design and related services; management, scientific, and technical consulting services; electronic computer manufacturing; and specialized design services. These tend to be high paying industries that demand highly skilled workers.

- California’s fastest growing industries also include several industries associated with California’s rebounding housing and construction sector, including but not limited to: building material and garden equipment and supply dealers; building finishing contractors; residential and nonresidential building construction; building foundation and exterior contractors; lumber and other construction materials merchant wholesalers; and offices of real estate agents and brokers. These industries tend to employ middle-skilled workers and pay middle-level wages.

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³ Because industry data are not seasonally adjusted, this time interval best approximates industry job growth trends at the height of the current economic expansion.
Several of California's fastest growing industries are in the educational and health services sector, including but not limited to: individual family services; offices of other health practitioners; (private) elementary and secondary schools.

<table>
<thead>
<tr>
<th>Longest Job Gains (Three-Year Change in In Number)</th>
<th>Fastest Job Growth (Three-Year Change in Percent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual and Family Services 188,900</td>
<td>Other Information Services</td>
</tr>
<tr>
<td>Limited-Service Eating Places 98,800</td>
<td>Motor Vehicle Manufacturing</td>
</tr>
<tr>
<td>Employment Services 91,900</td>
<td>Individual and Family Services</td>
</tr>
<tr>
<td>Full-Service Restaurants 72,500</td>
<td>Building Material and Garden Equip and Suppliers</td>
</tr>
<tr>
<td>Computer Systems Design and Related Services 59,100</td>
<td>Data Processing, Hosting and Related Services</td>
</tr>
<tr>
<td>Management, Scientific and Technical Consulting Svs. 45,300</td>
<td>Building Finishing Contractors</td>
</tr>
<tr>
<td>Building Equipment Contractors 40,500</td>
<td>Electronic Shopping and Mail-Order</td>
</tr>
<tr>
<td>Other Information Services 29,600</td>
<td>Used Merchandise Stores</td>
</tr>
<tr>
<td>Building Finishing Contractors 29,100</td>
<td>Amusement Parks and Arcades</td>
</tr>
<tr>
<td>Offices of Physicians 27,200</td>
<td>Computer Systems Design and Related Services</td>
</tr>
<tr>
<td>Grocery Stores 22,300</td>
<td>Building Equipment Contractors</td>
</tr>
<tr>
<td>Management of Companies and Enterprises 20,400</td>
<td>Employment Services</td>
</tr>
<tr>
<td>Investigation and Security Services 20,300</td>
<td>Management, Scientific and Technical Consulting Svs.</td>
</tr>
<tr>
<td>Residential Building Construction 19,100</td>
<td>Lessors of Nonfinancial Intangible Assets</td>
</tr>
<tr>
<td>Architectural, Engineering and Related Services 18,700</td>
<td>Residential Building Construction</td>
</tr>
<tr>
<td>State Government Education 18,400</td>
<td>Lumber and Other Const Materials Merchant Wholesalers</td>
</tr>
<tr>
<td>Building Foundation and Exterior Contractors 17,300</td>
<td>Building Foundation and Exterior Contractors</td>
</tr>
<tr>
<td>Automobile Dealers 17,200</td>
<td>Offices of Real Estate Agents and Brokers</td>
</tr>
<tr>
<td>Services to Buildings and Dwellings 16,900</td>
<td>Nonresidential Building Construction</td>
</tr>
<tr>
<td>Accounting, Tax Preparation and Bookkeeping Services 15,700</td>
<td>Other Personal Services</td>
</tr>
<tr>
<td>Outpatient Care Centers 15,400</td>
<td>Electronic Computer Manufacturing</td>
</tr>
<tr>
<td>Accommodation 15,200</td>
<td>Apparel, Piece Goods and Notions Merchant Wholesalers</td>
</tr>
<tr>
<td>Nursing Care Facilities 14,700</td>
<td>Performing Arts, Spectator Sports, and Related</td>
</tr>
<tr>
<td>Elementary and Secondary Schools 13,700</td>
<td>Limited Service Eating Places</td>
</tr>
<tr>
<td>Other Amusement and Recreation Industries 12,900</td>
<td>Special Food Services</td>
</tr>
<tr>
<td>Amusement Parks and Arcades 12,500</td>
<td>Specialized Design Services</td>
</tr>
<tr>
<td>Warehousing and Storage 12,200</td>
<td>Facilities Support Services</td>
</tr>
<tr>
<td>Nonresidential Building Construction 12,100</td>
<td>Offices of Other Health Practitioners</td>
</tr>
<tr>
<td>Offices of Other Health Practitioners 12,100</td>
<td>Other Financial Investment Activities</td>
</tr>
<tr>
<td>Community Care Facilities for the Elderly 11,800</td>
<td>Other Specialty Trade Contractors</td>
</tr>
<tr>
<td>Scientific Research and Development Services 11,500</td>
<td>Elementary and Secondary Schools</td>
</tr>
<tr>
<td>Other General Merchandise Stores 11,000</td>
<td>Warehousing and Storage</td>
</tr>
<tr>
<td>Agencies, Broker and Other Insurance Related Activities 10,900</td>
<td>Advertising and Related Services</td>
</tr>
<tr>
<td>Advertising and Related Services 10,200</td>
<td>Investigation and Security Services</td>
</tr>
<tr>
<td>Special Districts 10,200</td>
<td>Other Schools and Instruction</td>
</tr>
<tr>
<td>County Government 10,000</td>
<td>Drinking Places (Alcoholic Beverages)</td>
</tr>
<tr>
<td>Electronic Computer Manufacturing 9,600</td>
<td>Motor Vehicle and Parts Merchant Wholesalers</td>
</tr>
<tr>
<td>General Freight Trucking 9,600</td>
<td>Commercial and Industrial Machinery Rental and Leasing</td>
</tr>
<tr>
<td>Special Food Services 9,500</td>
<td>Automobile Dealers</td>
</tr>
<tr>
<td>Wholesalers Electronic Markets Agents and Brokers 9,200</td>
<td>Independent Artists, Writers and Performers</td>
</tr>
<tr>
<td>Other Specialty Trade Contractors 9,100</td>
<td>Land Subdivision</td>
</tr>
<tr>
<td>Electronic Shopping and Mail-Order 9,100</td>
<td>Nonmetallic Mineral Product Manufacturing</td>
</tr>
<tr>
<td>Colleges, Universities and Professional Schools 9,000</td>
<td>Community Care Facilities for the Elderly</td>
</tr>
<tr>
<td></td>
<td>Nondepository Credit Intermediation</td>
</tr>
</tbody>
</table>

Table 1: California's Fastest Growing Industries Over the Last Three Years of the Economic Expansion (July 2012 - July 2015; Not Seasonally Adjusted Data)
schools, and community care facilities for the elderly. These industries employ a mix of middle- and low-skill workers and pay middle-to-low wages.

- Several industries that tend to employ low skill workers and pay low wage industries are also among the fastest growing, including: amusement parks and arcades; employment services; limited-service eating places; special food services; investigation and security services; and drinking places.

California’s Regional Labor Markets during the Recovery

California’s recovery and expansion have extended to all regions. From July 2010 through July 2015, which is the time period that best captures the expansion using not seasonally adjusted data, California total nonfarm payrolls grew by 1,905,900 jobs, or by 13.5 percent. Each of the state’s eight regional labor markets experienced net job gains over this period. Table 2, on the next page, provides the relevant job growth numbers.

- As befitting its large size, the Southern regional labor market (Los Angeles, Orange, Ventura, Riverside, and San Bernardino counties) gained the most, adding 818,000 jobs.
- The San Francisco Bay Area had the second highest growth, adding 592,200 jobs.
- The Southern Border regional labor market (San Diego and Imperial counties) added 159,300 jobs.
- The San Joaquin Valley added 128,400 jobs and was the only other region to add more than 100,000 jobs.
- In percentage terms, the San Francisco Bay Area experienced far and away the strongest job growth over the five years ending in July 2015, growing by 18.9 percent over the period.
- Underscoring the important role that high technology and information technology industries have as drivers of the economy, San Francisco-Redwood City-South San Francisco Metropolitan Division (MD) and San Jose-Sunnyvale-Santa Clara Metropolitan Statistical Area (MSA), the two areas that encapsulate Silicon Valley, were the fastest growing areas with five-year job gains totaling 23.1 and 23 percent, respectively.
- Total nonfarm payrolls in both the Southern and Southern Border regional labor markets grew by 12.4 percent.
- Total nonfarm payrolls grew 11.9 percent in the San Joaquin Valley and by 10.7 percent in the Sacramento region over the five years ending in July 2015.
Although each of California’s three sparsely populated and agriculturally-oriented regional labor markets added jobs over the July 2010 to July 2015 period, their percentage job gains were weaker than those in the state’s five largest regions, ranging from a 3.0 percent gain in the Eastern Sierra (Amador, Calaveras, Inyo, Mono, Mariposa, and Tuolumne counties) to 6.8 percent in Northern California (Butte, Colusa, Glenn, Lassen, Modoc, Plumas, Shasta, Sierra, Siskiyou, Tehama, Trinity, Del Norte, Humboldt, and Mendocino counties), and 7.6 percent gain in the Coastal regional labor market (Monterey, Santa Cruz, San Benito, Santa Barbara, and San Luis Obispo counties).

Table 2: Change in Nonfarm Jobs in California Economic Markets During the Economic Expansion (July 2010 - July 2015: Not Seasonally Adjusted Data)

<table>
<thead>
<tr>
<th>Change in Number</th>
<th>Change in Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>1,905,900</td>
</tr>
<tr>
<td><strong>Largest Markets</strong></td>
<td></td>
</tr>
<tr>
<td>Southern</td>
<td>818,000</td>
</tr>
<tr>
<td>San Francisco Bay Area</td>
<td>592,160</td>
</tr>
<tr>
<td>Southern Border</td>
<td>159,300</td>
</tr>
<tr>
<td>San Joaquin Valley</td>
<td>128,400</td>
</tr>
<tr>
<td>Sacramento</td>
<td>94,960</td>
</tr>
<tr>
<td><strong>Smaller Markets</strong></td>
<td></td>
</tr>
<tr>
<td>Coastal</td>
<td>36,900</td>
</tr>
<tr>
<td>Northern</td>
<td>18,300</td>
</tr>
<tr>
<td>Eastern Sierra</td>
<td>1,670</td>
</tr>
</tbody>
</table>

**Notes:**
1) The sum of economic markets does not equal the California total because of statewide reporters whose jobs can’t be assigned to a specific area.
2) Dates only approximate the recession because not seasonally adjusted data require that like months in the year be compared to control for seasonal patterns of employment.

Projected Future Growth by Industry and Occupation

Total industry employment in California, which includes self-employment, unpaid family workers, private household workers, farm employment, and nonfarm employment, is expected to reach 18,708,600 by 2022, an increase of 14.9 percent during the 10-year projection period. Total nonfarm employment is projected to add 2,296,700 jobs during the period. Seventy-two percent of projected nonfarm growth is
concentrated in four sectors: educational services, health care, and social assistance; professional and business services; leisure and hospitality; and retail trade.

The major industry sectors projected to have the largest job growth is educational services (private), health care, and social assistance, accounting for 25 percent of the projected growth. The projected growth for the sector is 576,300 jobs during the 10-year period (see chart 1). As the population grows and demographics change, the demand for workers in this sector will remain high. The greatest concentration of job gains is projected to occur in the following subsectors:

- Social assistance (201,300)
- Ambulatory health care services (181,900)
- Educational services (private) (79,200)

The major industry sector projected to have the fastest growth rate is construction with an expected annual average growth rate of 3.4 percent (see table 3). The expected job gain of 201,700 in construction is due to the improving housing market across California. The number of home building permits is forecasted to grow at an annual average rate of 20.4 percent with residential building construction projected to grow at a 4.5 percent annual average rate. Within this sector, the greatest concentration of job gains is projected in the following industry groups:

- Building equipment contractors (46,100)
- Building finishing contractors (38,900)
- Residential building construction (35,700)

The top 25 industry groups that are expected to generate the most employment are projected to account for nearly 1,498,500 jobs during the 2012-2022 projection period (see table 4).

- Seven of the top twenty-five industry groups generating the most employment are within the health care and social assistance subsector. They are expected to generate 439,100 jobs during the 10-year projection period.
- Individual and family services tops the list with a projected employment growth of 197,300 jobs during the 10-year projection period.

The top 25 industry groups by percentage growth are expected to grow a combined 40.4 percent (1,038,900 jobs) during the 10-year projection period.

- Six of the top 25 fastest growing industry groups are within the health care and social assistance subsector.
- Management, scientific, and technical consulting services top the list with an expected growth rate of 69.2 percent during the 10-year projection period.
Chart 1: Projected Job Growth by Industry Sector Between 2012-2022

- Professional and Business Services, 550,200
- Leisure and Hospitality, 302,000
- Retail Trade, 222,500
- Construction, 201,700
- Educational Services, Health Care, and Social Assistance, 576,300
- Wholesale Trade, 108,300
- Mining and Logging, 4,500
- Government, 97,100
- Financial Activities, 89,000
- Information, 68,100
- Transportation, Warehousing, and Utilities, 66,600
- Other Services, 50,400

Source: California Employment Development Department, Labor Market Information Division
Table 3: Projected Employment Percent Change by Major Industry Sectors Between 2012-2022

<table>
<thead>
<tr>
<th>Industry</th>
<th>Change in Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction</td>
<td>34.2%</td>
</tr>
<tr>
<td>Educational Services, Health Care, and Social Assistance</td>
<td>26.5%</td>
</tr>
<tr>
<td>Professional and Business Services</td>
<td>24.6%</td>
</tr>
<tr>
<td>Leisure and Hospitality</td>
<td>18.9%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>16.0%</td>
</tr>
<tr>
<td>Information</td>
<td>16.7%</td>
</tr>
<tr>
<td>Mining and Logging</td>
<td>14.8%</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>14.2%</td>
</tr>
<tr>
<td>Transportation, Warehousing, and Utilities</td>
<td>13.7%</td>
</tr>
<tr>
<td>Financial Activities</td>
<td>11.5%</td>
</tr>
<tr>
<td>Other Services (excludes 814-Private Household Workers)</td>
<td>10.0%</td>
</tr>
<tr>
<td>Government</td>
<td>4.1%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-3.2%</td>
</tr>
</tbody>
</table>

Source: California Employment Development Department, Labor Market Information Division
<table>
<thead>
<tr>
<th>Industry Title</th>
<th>Projected Gain in Number 2012-2022</th>
<th>Projected Gain in Percent (%) 2012-2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual and Family Services</td>
<td>197,300</td>
<td>Management, Scientific, and Technical Consulting Services 69.2%</td>
</tr>
<tr>
<td>Full-Service Restaurants</td>
<td>132,100</td>
<td>Electronic Shopping and Mail-Order Houses 65.1%</td>
</tr>
<tr>
<td>Management, Scientific, and Technical Consulting Services</td>
<td>129,800</td>
<td>Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly 49.2%</td>
</tr>
<tr>
<td>Employment Services</td>
<td>117,100</td>
<td>Other Information Services               49.0%</td>
</tr>
<tr>
<td>Limited-Service Eating Places</td>
<td>106,400</td>
<td>Individual and Family Services           48.4%</td>
</tr>
<tr>
<td>Computer Systems Design and Related Services</td>
<td>74,900</td>
<td>Home Health Care Services                45.7%</td>
</tr>
<tr>
<td>Offices of Physicians</td>
<td>54,900</td>
<td>Residential Building Construction        44.6%</td>
</tr>
<tr>
<td>Other General Merchandise Stores</td>
<td>54,200</td>
<td>Foundation, Structure, and Building Exterior Contractors 43.2%</td>
</tr>
<tr>
<td>Local Government Education</td>
<td>50,500</td>
<td>Building Finishing Contractors           42.0%</td>
</tr>
<tr>
<td>Other Local Government</td>
<td>46,500</td>
<td>Other General Merchandise Stores         40.5%</td>
</tr>
<tr>
<td>Building Equipment Contractors</td>
<td>46,100</td>
<td>Outpatient Care Centers                  37.1%</td>
</tr>
<tr>
<td>General Medical and Surgical Hospitals</td>
<td>40,000</td>
<td>Other Specialty Trade Contractors         35.4%</td>
</tr>
<tr>
<td>Outpatient Care Centers</td>
<td>39,800</td>
<td>Nondepository Credit Intermediation      34.3%</td>
</tr>
<tr>
<td>Building Finishing Contractors</td>
<td>38,900</td>
<td>Office Administrative Services           34.0%</td>
</tr>
<tr>
<td>Assisted Living Facilities for the Elderly</td>
<td>38,100</td>
<td>Computer Systems Design and Related Services 32.8%</td>
</tr>
<tr>
<td>Nursing Care Facilities (Skilled Nursing Facilities)</td>
<td>36,800</td>
<td>Other Motor Vehicle Dealers              31.8%</td>
</tr>
<tr>
<td>Residential Building Construction</td>
<td>35,700</td>
<td>Wholesale Electronic Markets and Agents and Brokers 31.2%</td>
</tr>
<tr>
<td>Management of Companies and Enterprises</td>
<td>35,000</td>
<td>Employment Services                      30.9%</td>
</tr>
<tr>
<td>Services to Buildings and Dwellings</td>
<td>34,600</td>
<td>Software Publishers                      30.4%</td>
</tr>
<tr>
<td>Colleges, Universities, and Professional Schools</td>
<td>33,600</td>
<td>Facilities Support Services              30.4%</td>
</tr>
<tr>
<td>Foundation, Structure, and Building Exterior Contractors</td>
<td>32,500</td>
<td>Utility System Construction              30.1%</td>
</tr>
<tr>
<td>Home Health Care Services</td>
<td>32,200</td>
<td>Nursing Care Facilities (Skilled Nursing Facilities) 30.0%</td>
</tr>
<tr>
<td>Wholesale Electronic Markets and Agents and Brokers</td>
<td>31,600</td>
<td>Other Schools and Instruction            30.0%</td>
</tr>
<tr>
<td>Scientific Research and Development Services</td>
<td>31,300</td>
<td>Data Processing, Hosting, and Related Services 29.5%</td>
</tr>
<tr>
<td>Automobile Dealers</td>
<td>28,800</td>
<td>Offices of Other Health Practitioners    29.4%</td>
</tr>
</tbody>
</table>
Middle-Skill Occupations

Middle-skilled occupations are those that require more than a high school education but less than a four-year degree. The top twenty-five middle-skilled occupations (see table 5) that are expected to generate the most middle-skill job openings are projected to account for nearly 497,000 job openings during the 2012-2022 period. These openings include approximately 225,000 openings due to job growth and 272,000 due to replacement needs.¹

- Registered nurses top the list with 92,300 openings during the period.
- Ten of the top twenty-five occupations are in a health care related field and are expected to generate 256,000 openings during the ten-year period.
- Annual salaries range from $19,115 for manicurists and pedicurists to $100,312 for dental hygienists.
- An analysis of the knowledge, skills, and abilities required by these jobs is in Appendix F.

Unemployment and Labor Force Data Post-Recession

Unemployment has decreased steadily over the current expansion. California’s seasonally adjusted unemployment rate stood at 6.2 percent in July 2015, which was the lowest rate since February 2008. California’s unemployment rate fell by 6.0 percentage points from its most recent peak of 12.2 percent in October 2010 through July 2015.

- There were 1,179,000 unemployed Californians in July 2015, fewer than in any month since March 2008.
- The number of unemployed Californians fell by 1,052,000 from its recessionary high in October 2010 through July 2015. California civilian unemployment fell at a remarkably consistent pace over this period and as of July 2015, has fallen in 56 out 57 months. Despite improvement, 320,000 more Californians were unemployed in July 2015 than in September 2006, which was the pre-recession low.
- The unemployment situation has improved across age, racial and ethnic, and educational attainment groups during the current expansion. According to a 12-month average of Current Population Survey data, California’s unemployment rate peaked at 12.2 percent in December 2010 and fell to 6.7 percent in July 2015. Over this period:

¹ Replacement needs estimate the number of openings created when workers retire or permanently leave an occupation and need to be replaced.
- The unemployment rate among youths age 16 to 24 decreased from 22.8 percent in December 2010 to 13.8 percent in July 2015.
- The unemployment rate of California men fell by 6.3 percentage points to 6.6 percent and the rate among women fell 4.4 percentage points to 6.9 percent.

Table 5: CA’s Top 25 Middle-Skilled Occupations with Replacement Needs (2012-2022)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>29-1141</td>
<td>Registered Nurses</td>
<td>4,300</td>
<td>4,930</td>
<td>9,230</td>
<td>$45.87</td>
</tr>
<tr>
<td>51-3032</td>
<td>Heavy and Tractor-Trailer Truck Drivers</td>
<td>2,240</td>
<td>2,180</td>
<td>4,410</td>
<td>$19.77</td>
</tr>
<tr>
<td>31-104</td>
<td>Nursing Assistants</td>
<td>2,310</td>
<td>1,870</td>
<td>4,180</td>
<td>$15.66</td>
</tr>
<tr>
<td>31-9092</td>
<td>Medical Assistants</td>
<td>1,890</td>
<td>1,560</td>
<td>3,450</td>
<td>$15.83</td>
</tr>
<tr>
<td>29-2081</td>
<td>Licensed Practical and Licensed Vocational Nurses</td>
<td>1,560</td>
<td>1,480</td>
<td>3,040</td>
<td>$25.11</td>
</tr>
<tr>
<td>15-1151</td>
<td>Computer User Support Specialists</td>
<td>1,530</td>
<td>960</td>
<td>2,490</td>
<td>$26.24</td>
</tr>
<tr>
<td>25-2011</td>
<td>Preschool Teachers, Except Special Education</td>
<td>250</td>
<td>1,570</td>
<td>1,820</td>
<td>$16.26</td>
</tr>
<tr>
<td>39-5012</td>
<td>Hairdressers, Hairstylists, and Cosmetologists</td>
<td>810</td>
<td>950</td>
<td>1,750</td>
<td>$11.07</td>
</tr>
<tr>
<td>31-9091</td>
<td>Dental Assistants</td>
<td>700</td>
<td>940</td>
<td>1,640</td>
<td>$17.71</td>
</tr>
<tr>
<td>27-2011</td>
<td>Actors</td>
<td>400</td>
<td>1,100</td>
<td>1,500</td>
<td>$40.83</td>
</tr>
<tr>
<td>29-2021</td>
<td>Dental Hygienists</td>
<td>510</td>
<td>560</td>
<td>1,060</td>
<td>$48.23</td>
</tr>
<tr>
<td>15-1134</td>
<td>Web Developers</td>
<td>680</td>
<td>340</td>
<td>1,020</td>
<td>$35.04</td>
</tr>
<tr>
<td>23-2011</td>
<td>Paralegals and Legal Assistants</td>
<td>5,003</td>
<td>490</td>
<td>1,020</td>
<td>$27.44</td>
</tr>
<tr>
<td>49-2022</td>
<td>Telecommunications Equipment Installers, Except Line Installers</td>
<td>600</td>
<td>380</td>
<td>980</td>
<td>$30.72</td>
</tr>
<tr>
<td>33-2011</td>
<td>Firefighters</td>
<td>180</td>
<td>780</td>
<td>970</td>
<td>$33.49</td>
</tr>
<tr>
<td>49-9021</td>
<td>Heating, Air Conditioning, and Refrigeration Mechanics and Installers</td>
<td>460</td>
<td>510</td>
<td>970</td>
<td>$25.34</td>
</tr>
<tr>
<td>29-2012</td>
<td>Medical and Clinical Laboratory Technicians</td>
<td>450</td>
<td>420</td>
<td>870</td>
<td>$20.48</td>
</tr>
<tr>
<td>29-2041</td>
<td>Emergency Medical Technicians and Paramedics</td>
<td>390</td>
<td>440</td>
<td>830</td>
<td>$14.40</td>
</tr>
<tr>
<td>51-1011</td>
<td>First-Line Supervisors of Production and Operating Workers</td>
<td>60</td>
<td>740</td>
<td>800</td>
<td>$26.70</td>
</tr>
<tr>
<td>29-2071</td>
<td>Medical Records and Health Information Technicians</td>
<td>340</td>
<td>440</td>
<td>780</td>
<td>$19.61</td>
</tr>
<tr>
<td>39-5092</td>
<td>Manicurists and Pedicurists</td>
<td>550</td>
<td>190</td>
<td>740</td>
<td>$19.99</td>
</tr>
<tr>
<td>25-4031</td>
<td>Library Technicians</td>
<td>90</td>
<td>550</td>
<td>640</td>
<td>$19.89</td>
</tr>
<tr>
<td>31-9011</td>
<td>Massage Therapists</td>
<td>310</td>
<td>180</td>
<td>490</td>
<td>$17.09</td>
</tr>
<tr>
<td>15-1152</td>
<td>Computer Network Support Specialists</td>
<td>90</td>
<td>290</td>
<td>470</td>
<td>$35.44</td>
</tr>
</tbody>
</table>


Notes:
*The Standard Occupational Classification (SOC) system is used by government agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data.
Unemployment rates among each of California’s major racial and ethnic groups decreased substantially, with the largest decrease occurring among Latinos (6.9 percentage points) and the smallest decrease occurring among Asians (4.7 percentage points).

Unemployment rates also fell across the educational attainment spectrum. The largest unemployment rate decrease occurred among those who had not completed high school (8.6 percentage points) and the smallest decrease occurred among persons holding at least a bachelor’s degree (2.9 percent).\(^5\)

The labor force includes all persons classified as employed or unemployed.\(^6\)

- The state’s civilian labor force was made up of 17.9 million employed and 1.1 million unemployed persons in July 2015.
- California’s labor force represented 12.1 percent of the U.S. labor force in July 2015.
- California has held a 12 percent share of the U.S. labor force since March 2013; the largest share held by any state.
- Since the start of California’s economic expansion in February 2010 to July 2015, the state’s civilian labor force increased by 801,000 persons. During this period, the number of employed persons increased by 1.8 million people and the number of unemployed persons declined by 1.0 million people.
- The state increased its labor force by 4.4 percent over the course of the current expansion, growing at twice the pace set by the nation (2.2 percent) during this period.

The labor force participation rate (LFPR) refers to the share of the working age population that is actively participating in the labor force (i.e., is employed or is

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\(^5\) However, July 2015 unemployment rates remained highest among workers who had not completed high school (10.5 percent) and lowest among workers who had obtained at least a Bachelor’s Degree (3.8 percent).

\(^6\) The “employed” are persons 16 years and over in the civilian non-institutional population that worked at least one hour as a paid employee during a reference week, that includes the 12th day of the month. The “unemployed” are persons 16 years and older who had no employment, but were available for work and made efforts to find employment within the previous four weeks.
unemployed). Historically, LFPR increases when the economy is in expansion but dips when it is in recession, but has expanded over time. This appears to have changed in both California and the nation during the Great Recession.

- The seasonally adjusted California LFPR peaked at 66.1 percent in the months of August through October 2008 and began to fall precipitously thereafter.
- By January 2012, which was previously identified as the point in time that job growth in California began to expand robustly, the LFPR had fallen 3.1 percentage points to 63.0 percent.
- LFPR continued to fall even as the labor market strengthened until it bottomed out at 62.3 percent in October 2013. This was the state’s lowest LFPR since April 1976. From October 2013 through July 2015, the California LFPR was stable, increasing by 0.1 percentage point only.

It is not immediately clear why the LFPR has not increased even after five years of economic expansion. The aging and retiring baby boom population has dampened labor force participation. Labor force participation rates typically begin to decrease when workers turn 55 and fall at an increased pace thereafter.

According to the Current Population Survey of households, the LFPR among Californians age 54 was 76.3 percent in 2014. In contrast, the LFPR of persons aged 60 was 63.4 percent, the LFPR of persons age 63 was 52.3, the LFPR of persons age 65 was 50.0 percent, and that of persons age 70 was 21.5 percent. The oldest baby boomers that were born in 1946 would have turned 60 in 2006 and 65 in 2011. Thus, waves of aging baby boomers will have a dampening effect on the overall California LFPR. However, this tells only part of the story because the wave of retiring baby boomers has really only just begun.

The unprecedented decrease in the California LFPR since late 2008 also suggests that large numbers of Californians responded to employment losses and bleak prospects for finding a job during the Great Recession by exiting the labor force, and even after over five years of economic expansion and employment growth, many have yet to be drawn into the labor force.

**While California’s Economy is Big and Growing, It is Still Characterized by Inequality**

While the economy has entered a period of sustained expansion and unemployment has dropped for all demographic groups and in all the state’s regional labor markets, California’s economy continues to be marked by demographic and regional inequality. Some of this inequality stems from differences in educational attainment, differences
in demand by industry and occupation, and the sectoral composition of varying regional labor markets.

Demographic Inequality

Unemployment rates continue to be stratified by race, ethnicity and age (See table 6).

- In July 2015, the 12 month average unemployment rate for blacks was 12.9 percent, twice that of whites (6.4). The rate for Asians was 4.7 percent, and for Latinos/Hispanics it was 7.8 percent.
- Members of the civilian labor force between the ages of 16 and 19 had the highest unemployment rate of any group in July 2015, with a rate of 21.7 percent.
- Persons between the ages of 20 and 24 had an unemployment rate that was twice (11.4 percent) as high as individuals that were 35 years or older. Those in the labor force between the ages of 45 and 54 had the lowest unemployment rate (4.8 percent) in July. The unemployed between the ages of 35 and 44 (5.1 percent); and 55 years and older (5.4 percent) had unemployment rates that were just over 5.0 percent.

California youths face a particularly challenging labor market after the events of the business cycle these last eight years. In fact, the labor force participation rates among California youths, and particularly teens, have steadily eroded over time.

- The LFPR among California teens peaked at 46.9 percent in March 2001.
- By the December 2005, the teen LFPR had fallen to 38.6, and by December 2010 it had fallen to 28.1 percent.
- It was only in the months of October and November 2014 that the teen LFPR appears to have bottomed out at 24.5 percent, after which it increased to 27.3 percent by July 2015.

The LFPR of California youths age 20 to 24 peaked at 76.4 percent in April 2002. By December 2005, it had fallen to 73.0 percent and by December 2010, it had fallen to 67.5 percent. In July 2015, the youth LFPR stood at 66.3 percent.

In contrast, the LFPR of prime working age Californians held constant at around 80 percent from the beginning of 2000 through the middle of 2015, give or take a percentage point or two. In contrast, older workers have been staying in the labor force longer:

- In January 2000, only 12.1 percent of Californians age 65 and over participated in the labor force. The 65 and over LFPR rose to 15.6 percent by December 2005 and to 16.8 percent by December 2010.
• The trend of rising LFPR among Californians age 65 and over has accelerated thereafter, rising to 20.0 percent in July 2015.

Regional Inequality

Unemployment rates in California’s eight economic markets ranged from a low of 4.5 percent in the San Francisco Bay Area to a high of 9.9 percent in the San Joaquin Valley in July 2015 (see table 7). Regional disparity in unemployment rates is consistent with regional disparities experienced during both the recession and recovery.

• Overall, inland areas of California experienced deeper job losses than coastal areas during the Great Recession. From July 2007 through July 2010, which is the period of time that best captures the Great Recession using not seasonally adjusted data, total nonfarm payrolls in inland areas fell by a total of 387,800 jobs, or by 10.1 percent. This compares to an 8.0 percent (1,414,200 jobs) job loss in coastal areas. Generally speaking, job losses in construction and manufacturing were deeper in inland areas than in coastal areas, although the difference is mostly one of degree.

• In contrast, coastal areas of California have experienced stronger job growth than inland areas during the current expansion. Total nonfarm payrolls in coastal areas grew by 1,414,200 jobs from July 2010 through July 2015, an increase of 13.7 percent. This bettered the 13.0 percent (448,200 jobs) increase in nonfarm payrolls that occurred in inland areas over the same period.
Closer inspection reveals that job growth in coastal areas was stronger than in inland areas early in the expansion, but has been slightly weaker later in the expansion. Whereas total nonfarm payrolls in coastal areas grew by 4.0 percent from July 2010 through July 2012, they grew by 2.6 percent in inland areas. In contrast, total nonfarm payrolls grew by 9.4 percent in coastal areas from July 2012 through July 2015, compared to 10.1 percent in inland areas.

### Table 6: Unemployment Rates by Age, Gender, Race/Ethnicity, and Educational Attainment at Key Points of California's Business Cycle
(Unemployed as a Percent of the Labor Force; 12-Month Average of Current Population Survey Data)

<table>
<thead>
<tr>
<th></th>
<th>Mar 07</th>
<th>Dec 10</th>
<th>Jul 15</th>
<th>Change: Mar 07-Dec 10</th>
<th>Change: Dec 10-Jul 15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (All Groups)</td>
<td>4.8</td>
<td>12.2</td>
<td>6.7</td>
<td>7.4</td>
<td>-5.5</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age 16-19</td>
<td>17.9</td>
<td>34.4</td>
<td>22.5</td>
<td>16.5</td>
<td>-11.9</td>
</tr>
<tr>
<td>Age 20-24</td>
<td>7.8</td>
<td>19.0</td>
<td>11.3</td>
<td>11.2</td>
<td>-7.7</td>
</tr>
<tr>
<td>Age 25-34</td>
<td>4.4</td>
<td>12.0</td>
<td>7.0</td>
<td>7.6</td>
<td>-5.0</td>
</tr>
<tr>
<td>Age 35-44</td>
<td>3.9</td>
<td>10.7</td>
<td>5.0</td>
<td>6.8</td>
<td>-5.7</td>
</tr>
<tr>
<td>Age 45-54</td>
<td>3.5</td>
<td>9.9</td>
<td>4.8</td>
<td>6.4</td>
<td>-5.1</td>
</tr>
<tr>
<td>Age 55-64</td>
<td>3.5</td>
<td>9.5</td>
<td>5.3</td>
<td>6.0</td>
<td>-4.2</td>
</tr>
<tr>
<td>Age 65+</td>
<td>3.0</td>
<td>9.0</td>
<td>5.8</td>
<td>6.0</td>
<td>-3.2</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>4.8</td>
<td>12.9</td>
<td>6.6</td>
<td>8.1</td>
<td>-6.3</td>
</tr>
<tr>
<td>Women</td>
<td>4.9</td>
<td>11.3</td>
<td>6.9</td>
<td>6.4</td>
<td>-4.4</td>
</tr>
<tr>
<td>Race/Ethnicity</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White</td>
<td>4.6</td>
<td>11.9</td>
<td>6.4</td>
<td>7.3</td>
<td>-5.5</td>
</tr>
<tr>
<td>Black</td>
<td>9.7</td>
<td>19.5</td>
<td>12.9</td>
<td>9.8</td>
<td>-6.6</td>
</tr>
<tr>
<td>Asian</td>
<td>3.4</td>
<td>9.4</td>
<td>4.7</td>
<td>6</td>
<td>-4.7</td>
</tr>
<tr>
<td>Hispanic/Latino</td>
<td>5.5</td>
<td>14.7</td>
<td>7.8</td>
<td>9.2</td>
<td>-6.9</td>
</tr>
<tr>
<td>Educational Attainment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Did not complete high school</td>
<td>9.3</td>
<td>19.1</td>
<td>10.5</td>
<td>9.9</td>
<td>-8.6</td>
</tr>
<tr>
<td>High school graduates, no college</td>
<td>5.6</td>
<td>15.3</td>
<td>8.5</td>
<td>9.7</td>
<td>-6.7</td>
</tr>
<tr>
<td>Some college, no degree</td>
<td>4.4</td>
<td>13.7</td>
<td>7.5</td>
<td>9.3</td>
<td>-6.2</td>
</tr>
<tr>
<td>Associate degree</td>
<td>3.1</td>
<td>9.6</td>
<td>6.3</td>
<td>6.5</td>
<td>-3.3</td>
</tr>
<tr>
<td>Bachelor's degree or higher</td>
<td>2.7</td>
<td>6.7</td>
<td>3.8</td>
<td>4.0</td>
<td>-2.9</td>
</tr>
</tbody>
</table>
Here it is important to note that inequalities between coastal and inland areas of California do not simply emanate from the business cycle, but instead reflect differences in the structure of coastal and inland area economies, and the way the sector composition of these disparate areas interact with the business cycle. (Some of the fastest growing sectors during the recovery have a greater presence on the coast).

- In July 2015, a much higher percentage of total industry jobs were in the following industries in inland areas than in coastal areas: total farm employment (7.0 percent of jobs in inland areas, but only 1.4 percent of jobs in coastal areas); government (19.0 percent inland v. 12.7 percent coastal); trade, transportation, and utilities (19.2 percent inland v. 17.0 percent coastal).
- In contrast, the following industries made up a much larger proportion of total industry jobs in coastal areas than in inland areas: professional and business services (16.7 percent coastal jobs v. just 10 percent inland); information (3.5 percent coastal v. 1.0 inland); manufacturing (8.5 percent coastal v. 6.6 percent inland); financial activities (5.2 percent coastal v. 3.6 percent inland); and leisure and hospitality (11.9 percent coastal v.10.3 percent) inland. As discussed earlier, these industries have been some of the fastest growing in the state.

Regional inequality is also related to the differences in wages earned in different sectors and the way these relate to the structural composition of different labor markets.

- Categorizing industries by wage levels reveals that high-wage industry sectors represent a much larger share of total coastal economy jobs (34.0 percent) than inland economy jobs (21.5 percent).
- In contrast, middle wage industry sector jobs comprise 57.9 percent of inland area jobs and low wage industries account for 20.4 percent of inland jobs.
• The share of middle- and low-wage industry sector jobs in coastal areas was 49.2 and 16.8 percent, respectively.

The different wage structure of coastal and inland area economies is magnified if the trade, transportation, and utilities sectors are broken into wholesale trade; retail trade; and transportation, warehousing, and utilities, because the low wage retail trade subsector represents a larger share of inland area employment than coastal employment. While this change does not affect the share of high wage industry jobs in either the inland or coastal economies, it does increase the share of low wage industry jobs in inland economies to 31.8 percent from 20.8 percent and the share of low wage industry jobs in coastal economies to 26.6 percent from 16.8 percent in coastal economies.

The concentration of high wage industry jobs in coastal areas is magnified upon review of the component parts of professional and business services sector in coastal and inland areas. An analysis of fourth quarter 2014 data indicated that over three-fifths (61.3 percent) of professional and business services jobs in coastal areas were in the high wage professional, scientific, and technical services and management of companies and enterprises subsectors compared to just two-fifths (42.2 percent) in inland areas. In other words, professional and business services jobs are more likely to be high wage jobs in coastal areas but low wage jobs in inland areas.

Because of the differences in the industry structure of coastal and inland areas, unemployment rates in inland areas tend to be higher than in coastal areas. In July 2015, the unemployment rate in inland areas of California was 8.1 percent but just 5.9 percent in coastal areas.

Comparative Unemployment by Sector and Occupation

When the state’s eleven major industry sectors are compared, the leisure and hospitality (7.3 percent), and the construction (7.0 percent) sectors had the highest unemployment rates in July 2015. Each sector’s unemployment rate tends to be higher than other sectors, due to the seasonal nature of each sector. The demand for workers within an industry such as financial services tends to be throughout the year while workers in the leisure and hospitality sector tend to be in the highest demand during the months in which tourism is highest. Other relevant data include the following:

• The trade, transportation, and utilities (6.5 percent), and other services (6.1 percent) sectors each had unemployment rates that hovered above 6.0 percent in July 2015.
• The sectors with the lowest unemployment rates were the government (3.3 percent) and financial activities (3.3 percent) sectors in July 2015.

Between July 2010 and July 2015, the construction sector’s unemployment rate dropped by 16.5 percentage points, the highest decline of any industry sector over the past five years. The information (8.7 percentage points) and manufacturing (7.7 percentage points) sectors experienced declines in excess of 7 percentage points during this five-year period as well. The industry sector with the smallest five-year decline was the educational and health services sector, whose rate dipped from 6.3 percent in July 2010 to 4.6 percent in July 2015. This sector’s unemployment rate has been amongst the lowest of any of the state’s industry sectors over the past five years.

Members of the workforce within farming, fishing, and forestry (17.3 percent); construction (8.7 percent); and transportation and material moving (8.4 percent) occupations had the highest unemployment rates in July 2015. Occupational groups with the lowest unemployment rates were the management, business, and financial (3.3 percent), and professional and related occupations (3.7 percent) groups.

Workers within personal service occupations such as gaming dealers, recreation workers, and ushers made up the largest share (237,000) of unemployed persons statewide. Furthermore, one out of every five unemployed persons (21.4 percent) was in a service occupation.

In July 2010, the unemployment rates of the farming, fishing, and forestry (27.0 percent), and the construction (26.9 percent) occupational groups exceeded 20.0 percent. In addition, the transportation and material moving (15.5), and production (15.5 percent) groups had unemployment rates that topped 15.0 percent as well. The only groups with unemployment rates below 10.0 percent were the management, business, and financial occupational groups (7.7 percent), and professional and related occupations (6.6 percent) groups.

Educational Attainment and the Labor Market

Among California’s unemployed, the largest share (29.4 percent) of individuals was high school graduates with no college experience and their unemployment rate was 8.5 percent in July 2015.

The unemployed with an associate degree (8.0 percent share) or a bachelor’s degree or higher (19.9 percent share) made up the smallest shares of the unemployed population.
The members of the unemployed with the highest unemployment rate (10.6 percent) were those with less than a high school diploma.

Unemployed persons with a bachelor’s degree or higher had the lowest unemployment rate (3.8 percent).

Unemployed individuals of all education levels experienced declines in their respective unemployment rates over the past five years. The unemployment rate of those with less than a high school diploma dropped by the 8.8 percentage points between July 2010 and July 2015, the largest drop when compared to other education levels. The unemployment rates of individuals with an associate degree (2.5 percent) or a bachelor’s degree or higher (2.7 percent) declined by less than 3 percentage points over the past five years.

**Long Term Unemployment and Inequality**

Persons defined as long-term unemployed are those that sought work and remained jobless for twenty-seven weeks or more. In July 2015, 2.6 million of the nation’s unemployed were classified as long-term unemployed. During this month, 31.1 percent (395,000 unemployed) of California’s 1.3 million unemployed were unemployed long-term.

At the start of the Great Recession, 16.8 percent of the state’s unemployed population was unemployed for twenty-seven weeks or more. In March 2011, the share of long-term unemployed peaked at 46.8 percent, as just over 1 million people were unemployed for twenty-seven weeks or more.

Since the March 2011 peak, the share of long-term unemployed has steadily declined and by July 2015, roughly one out of every three unemployed persons (31.1 percent) was defined as long-term unemployed. Despite this decline, July’s percent share was roughly twice as high as the share during the start of the U.S. recession (16.8 percent).

In terms of age groups, nearly one out of every four long-term unemployed people (23.1 percent) were between the ages of 24 and 34 years old, followed by persons aged 55 years and older (21.0 percent). The unemployed between the ages of 16 and 24 made up 18.2 percent of the long-term unemployed. The smallest shares (17.4 percent) of long-term unemployed were between the ages of 45 and 54.

The highest level of education for nearly 50 percent (47.1 percent) of the state’s long-term unemployed was a high school diploma or less. Just over 29 percent of the long-term unemployed had a high school diploma and no college experience (29.1 percent).
and 18.0 percent of the state’s long-term unemployed had less than a high school diploma.

Despite an improved economy, the share of long-term unemployed has remained relatively high when compared to its levels at the start of the most recent recession. Research suggests that business trends such as the increased use of a contingent workforce contributed to the slow, rather than rapid, decline in the number of long-term unemployed. Contingent workers are hired by firms to address seasonal and cyclical workloads and the labor demands of just-in-time production. Examples of contingent workers are as follows: independent contractors, part-time, seasonal, temporary, and leased workers.

Research conducted by Manpower and Staffing Industry Analysts suggest that businesses will continue to increase their use of this specialized workforce to meet their needs. In addition, the Bureau of Labor Statistics 2010-2020 forecast projects that the number of jobs in the employment services industry, which includes temporary help services, was expected to increase at an annual rate of 2.1 percent through 2020.

**High Wage v. Low Wage Jobs**

The Bureau of Labor Statistics identifies high wage jobs as those jobs that exceed the median earnings for jobs on the whole at the state or national level. The following wage analysis is based upon Occupational Employment Statistics (OES) wage data collected by EDD’s Labor Market Information Division (LMID) for the state of California.

In California, the median hourly wage in 2015 was $19.20, which equates to $39,900 per year. Roughly, one out of every three jobs in the state of California could be classified as a high wage job in 2015. Just over 60 percent of the state’s jobs were low wage jobs, jobs that did not exceed the state’s median hourly wage of $19.20.

Major occupational groups were designed by the U.S. Office of Management and Budget as a means of bringing together detailed occupations, which have similar qualifications, skills, training, and experience. Generally speaking, the state’s high wage jobs derived from the following occupational groups: management, business, computer, engineering, sciences, legal, education, design, healthcare practitioners and construction. According to the most recent estimates (May 2014), 5.4 million jobs or 35.4 percent of the state’s workforce are associated these groups.

A majority of the state’s low wage jobs are found in the following occupational groups: office and administrative support; sales; and food preparation. The total number of
jobs found within these three groups (5.4 million) is comparable to the total number of high wage jobs (5.4 million) statewide.

Over 800,000 low wage jobs were found in the state’s production occupations and transportation and material moving occupational groups. In terms of workforce size, the smallest low wage occupational groups were the state’s community and social services (228,000 jobs), and farming, fishing, and forestry (211,000 jobs) occupational groups.

The management and legal occupational groups had the highest hourly wages earning $53.49 and $48.05, respectively. Within these groups, the occupations with the highest hourly wages were as follows: chief executives (> $90.00), judges ($83.85), architectural and engineering managers ($75.42), marketing managers ($72.90), and lawyers ($69.53).

The farming, fishing, and forestry ($9.25); food preparation ($9.85); and personal care and service ($11.06) occupational groups had the lowest hourly wages statewide. Among these groups, the occupations with the lowest wages included: forest and conservation workers ($8.19); animal product graders and sorters ($9.20); gaming dealers ($9.26); dining room attendants ($9.30); fast food cooks ($9.36); and manicurists ($9.36).

Demographic Data and Data on Target Populations

This section provides an overview of California’s population, major demographic groups, and target populations that WIOA is intended to serve.

Demography

- California has the largest population in the nation with over 38 million people.
- Women made up the largest share of the state’s population. Over 50 percent (51.1 percent) of the state’s population was made up of women in July 2015.
- In July 2015, men made up 48.9 percent of the state’s population.
- One out of every three (35.0 percent) Californians was Hispanic in July 2015. The overall population of Hispanics in the state increased from 9.5 million in July 2010 to 10.6 million in July 2015. Just over 40 percent of the state’s Hispanic population were within the age groups of 16 and 24 (22.6 percent), and 25 and 34 (21.5 percent).
- Hispanics have grown at a faster rate than non-Hispanics over the past five years in California. Between July 2010 and July 2015, the state’s Hispanic
population has grown by 11.2 percent, outpacing the growth rate of non-Hispanics (4.7 percent) by 6.5 percentage points.

- In July 2015, whites made up 75.5 percent of the state’s total population and year-over-year this demographic group increased by 76,700 people. This includes Hispanics who self-identify as white.
- Asians made up 15.6 percent of the state’s population in July 2015. The percent share of Asians in California has increased from 14.8 percent in July 2014 to 15.6 percent in July 2015.
- The number of blacks in the state has increased and this group’s percent share has held steady at 6.4 percent over the past two years.
- American Indian, Alaskan Native and Hawaiian/Pacific Islanders made up less than 2 percent of the state’s total population in July 2015.

**Educational Attainment**

- More than one out of every three Californians had an associates or a bachelor’s degree or higher in July 2015. Just over nine million people in California had a bachelor’s degree or higher and 2.4 million people had an associate degree.
- The overall numbers of persons with either an associate or bachelor’s degree or higher has increased over the past five years. Between July 2010 and July 2015, the number of person with a bachelor’s degree or higher increased by just over 1 million people.
- Over this same period, the number of individuals with an associate degree increased by 140,700 people.
- The number of persons with less than a high school diploma has been on the decline.
  - Roughly 5.8 million people had less than a high school diploma in 2010, but that number has steadily declined and hovered around 5.5 million people in 2015.
  - Over this five-year period, the percent share of persons with less than a high school diploma fell from 20.5 percent (July 2010) to 18.1 percent (July 2015).
  - The percent shares of high school graduates with no college experience and those with some college and no degree remained relatively unchanged over the past five years. High school graduates made up 23.4 percent of the state’s population in July 2010 and 23.7 percent in July 2015, despite increasing by 564,900 people over that period of time.

**Veterans**
In July 2015, California accounted for 8.6 percent of the nation’s 21.3 million veterans. Over 1.8 million veterans resided in California in 2015. Year-over-year, the state experienced an increase of roughly 16,000 veterans between July 2014 and July 2015.

Twenty-eight percent of the state’s military veterans served during the Vietnam era (August 1964 to April 1975). During the Gulf War I (August 1990 to August 2001) and Gulf War II (September 2001 or later) eras, over 200,000 military veterans were involved in each military campaign.

California’s 188,400 women veterans made up 10.2 percent of the veterans’ population statewide in July 2015.

**Californians with Disabilities**

In July 2015, there were 2.9 million people with a disability in California, nearly 10 percent of the state’s general population.\(^7\)

The unemployment rate for disabled persons in the civilian labor force was 13.1 percent in July 2015, more than twice as high as the state unemployment rate (6.2 percent).

In July 2014, nearly 40 percent of disabled persons within California’s labor force had an associate degree or higher. Roughly, 30 percent (28.2 percent) of disabled persons had a bachelor’s degree or higher and 10.4 percent had an associate degree.

Disabled and non-disabled members of California’s civilian labor force had comparable levels of educational attainment, with the largest difference being between shares with a bachelor’s degree or higher. One-third of non-disabled persons (35.4 percent) had a bachelor’s degree or higher, 7 percentage points more than the share for disabled persons (28.2 percent).

The labor force participation rate for disabled persons was 19.7 percent in July 2014, 1.3 percentage points higher than its rate in July 2013 (18.4 percent).

**Youth Employment Trends**

In July 2015, workers between the ages of 16 and 24 made up 13.1 percent of the state’s workforce. Over the past five years, their percent share of the workforce has remained unchanged at 13.0 percent.

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\(^7\) The U.S. Department of Housing and Urban Development defines a person with a disability as any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such an impairment. Examples of major life activities include: walking, talking, hearing, seeing, breathing, performing manual tasks, or caring for oneself.
• The unemployment rate for 16 to 24 year olds was 13.8 percent in July 2015.
• Nearly two-thirds (63.6 percent) of all 16 to 24 year olds in California were employed in either the leisure and hospitality, or trade, transportation, and utilities sector in July 2015.
• In terms of occupations, 44 percent or roughly 1.2 million 16 to 24 year olds in California were employed in a sales (23.0 percent) or service (21.0 percent) occupation in July 2015.
• In July 2015, over 85 percent of the state’s 16 to 24 year olds were not in the labor force because they were in school.

Role of In-Migration

Migration is defined as the movement of people from one location to another permanent place of residence. The reasons why people migrate are due to push and pull factors. Push factors such as retirement, movement of a business, or lack of work often drive people from their current place of residence. A healthy economy and a pleasant climate are examples of pull factors.

• According to the latest figures from the American Community Survey, 485,500 people migrated out of California in 2013 and 581,700 migrated in from the nation’s forty-nine states.
• In terms of global migration, one out of every four Californians was foreign born in 2014. Roughly 9.7 million California residents were either foreign-born citizens by naturalization or foreign-born non-citizens.
• The number of foreign-born non-citizens has been on a steady decline since 2010, as this group of foreign born went from 5.2 million in 2010 to 4.8 million in 2014. In contrast, the number of foreign-born citizens by naturalization has increased by 7.2 percent going from 4.5 million in 2010 to 4.8 million in 2014.

Ex-Offenders

• Data from the Bureau of Justice Statistics’ Survey of State Criminal History Information Systems indicates that 27.8 percent or roughly 8 million Californians 18 years or older had a criminal record on file with the state in 2012.
• California’s parole population has been on the decline since 2007 and this trend is forecasted to continue through 2015. Between 2007 and 2013, the state’s parole population decreased from 126,000 to 51,000, a decline of 59.4 percent. From 2013 to 2015, parolee numbers are projected to decline by 22 percent, from 51,000 in 2013 to 40,000 in 2015.
Homeless

- California had 114,000 sheltered and unsheltered homeless people in 2014, roughly 20 percent of the nation’s homeless population.
- Year-over-year, the state’s homeless population declined by 4,600 persons (3.9 percent).
- Between 2007 and 2014, California’s homeless population dropped by 25,000 persons.
- 30 percent of California’s homeless population was located in Los Angeles in 2014.

Other Relevant Features of the Labor Market: Churn and the Need for Skills

The labor market today is characterized by much greater volatility and puts more competitive pressure on workers to upskill than in the past. 8

- Firms, and even whole industries, now come and go with greater frequency, changing the kinds of occupations and skills in demand in regional labor markets.
- Globalization has placed many California workers in direct competition with workers in developing nations.
- New technologies have eliminated some jobs but also have raised the skills needed to perform others, especially in occupations that rely on science, technology, engineering, and math.
- Increasingly, workers need postsecondary education and training to keep-up as well as access middle-skill jobs in an ever-changing, technologically reliant economy.

Labor market churn is significant and puts low skill workers at the most risk.

- Every year, roughly 30-40 percent of U.S. workers are hired into a new job or leave their old job, and the state has very few institutions or programs designed to deal with this level of job transition experience. 9
- Job turnover typically affects workers at different strata, with low skill and inexperienced workers, typically youth and adults that are basic skills deficient, less likely to sustain employment or access middle-skill occupational opportunities.

9 See Benner, September 2011.
• While moving from job to job has benefits, parallel movement from one low skill job to another typically hurts workers.10

Policy Implications of Labor Market Analysis

While California is enjoying resurgent economic growth, the recovery has been uneven with some regions of the state and some populations faring significantly better than others. Typically workers with higher levels of training and education fare better in the labor market while those areas of the state that are experiencing more rapid growth and lower levels of unemployment have occupations and industry sectors that require a characteristically more skilled workforce.

As California continues to increase economic growth, the workforce and education system will need to address the conditions of the new labor market by adapting to employer needs and by building and maintaining career pathways embedded in growing industry sectors.

Much of the job growth in the next decade will be in middle-skill occupations particularly in jobs where replacement needs are significant as a result workforce retirements. These jobs require education beyond high school but not a four-year degree and provide opportunities for economic mobility. According to the National Skills Coalition’s analysis of California’s middle-skill job needs, the state is facing a substantial shortfall of middle-skill workers over the next ten years.

By focusing on these middle skills jobs the state can align its workforce and education programs to serve populations with barriers to employment as well as the business community. The chapters that follow outline the state’s plan to achieve these complimentary objectives by making strategic investments in career pathway programs that serve regional industry sector needs.

Chapter 2: Overview of Workforce Development Activities in the State and Background On Client Populations Served (Corresponding to Strategic Planning Elements Required Under WIOA Sec. 102(b)(1)(B)), WIOA Sec. 102 (b)(1)(C), Sec. 102(b)(2)(C)(iii)

With over 38 million people, and about 12 percent of the nation’s population, California’s workforce and education systems are tasked with serving more people than any other state. These services are provided through largely decentralized service delivery structures that include 11,000 K-12 Schools, over 1,000 School Districts, 500 Charter Schools, 113 Community Colleges (in 72 Community College Districts), 58 County Welfare Departments, 58 County Offices of Education, 47 Local Boards, and more than half a dozen state departments and agencies, including the LWDA, HHS, the State Board, EDD, the Department of Industrial Relations Division of Apprenticeship Standards (DIR-DAS), the State Board of Education (SBE), CDE, CCCO, DOR, the California DSS, and ETP.

This chapter provides an overview of workforce and education activities in the state, client populations served by state plan partners, and an assessment of the strengths and weaknesses of programs and departments that participated in the state planning process. Discussion of the strategic and operational roles and organizational structures of the various entities who are partner to this plan are discussed in later chapters.

The Labor and Workforce Development Agency

LWDA oversees the departments and boards responsible for issues related to workers and their employers. The LWDA is responsible for labor law enforcement, workforce development, and benefit and payment adjudication. Boards and departments under the LWDA that do work directly related to workforce development include the State Board, EDD, DIR-DAS and ETP. LWDA serves as the Governor’s lead agency on WIOA implementation and has been actively involved overseeing the development of the State Plan.

The California Workforce Development Board (State Board)

As the Governor’s agent for “the development, oversight, and continuous improvement of California’s workforce investment system and the alignment of the education and workforce investment systems”, the board and its staff provide active ongoing policy analysis, technical assistance, and program evaluation to inform and shape state policy on the design of state workforce policies and their coordination with other relevant programs, including education and human service programs.
As required by federal and state statutes, the State Board has a business majority, and 20 percent workforce representation, which includes 15 percent representation for organized labor. State Board membership also includes representation for the state’s core programs, as well as K-12 and community college representation to ensure coordination between the state’s education and workforce systems (detail on board composition is provided in later chapters and appendices).

The State Board reports to the Governor through the chair of the State Board and the Secretary of Labor and Workforce Development, who both provide oversight of the State Board and its staff to ensure that policy recommendations are consistent with the Governor’s vision for the state.

The State Board, in consultation with state plan partners, drafts the State Plan and serves as the broker, convener, facilitator, and matchmaker to bring the disparate elements of the state’s workforce, education, human services, and economic development programs into alignment through coordinated partnership. In addition to playing this role, the State Board sets policy for WIOA Title I programs, including statewide policy pertaining to Local Board responsibilities, as well as policy directly relevant to the design and operations of the One-Stop system.

Clients/Service Population: The Board does not directly deliver services to a client population. The board’s primary responsibility is to set policy for WIOA Title I programs and to work with WIOA core program and other state plan partners to align programs and services to build a comprehensive system. In this respect the State Board’s clients are its state plan partners.

Strengths: The board has robust representation of businesses and leading workforce experts in the state, including members from strategic industry sectors such as health care, advanced manufacturing, and green energy.

Weaknesses: With greater emphasis in both state and federal statute on system alignment, sector engagement, skills attainment, and career pathways, the State Board will need to build greater capacity with two objectives in mind: (1) providing greater technical assistance to both Local Boards and other partners involved in ongoing regional organizing efforts, and (2) building capacity to improve policy coordination and program alignment with WIOA core programs and other state plan partners at the state level. As detailed in later chapters, this capacity-building is currently underway.
Local Workforce Development Boards and Areas

California’s 47 Local Boards operate to ensure the provision and coordination of WIOA Title I services in the forty-seven Local Workforce Development Areas (Local Areas) designated as service areas by the Governor. Local Boards provide day to day administrative and policy oversight for the delivery of services to job seekers and businesses. The specific service strategies of a Local Board are designed to reflect regional labor market needs, economic and social conditions, and demographics, and they must be consistent with the policy direction of the State Plan. Accordingly, Local Boards are the central partners in carrying out the State Workforce Development Plan.

The chief local elected official (CLEO) of each of the forty-seven Local Areas appoints a Local Board with a local membership similar to the State Board – including a business majority and 20 percent workforce representation, including 15 -percent organized labor. The Local Board develops and submits a local strategic plan to the Governor, appoints and provides oversight for AJCC operators, and selects eligible organizations to provide services for youth and adults. Local Boards in California have over 600 business representatives serving on their boards.

Clients/Service Population: Adult, dislocated worker, youth, and universal access clients number 1.7 million individuals, including about 60,000 clients who receive certificates through AJCCs. Incumbent workers are an emerging client of the Local Boards. Local Boards serve 65,000 businesses annually and partner in the AJCCs with California Work Opportunity and Responsibility to Kids (CalWORKs), community colleges, economic development agencies, DOR, adult education providers, and veteran’s services providers.

Strengths: Local Boards have a lot of experience braiding resources and integrating service delivery through the One-Stop system. Local Boards have deep connections to their local communities, and are gaining greater experience working through state and local led regional initiatives, including sector and career pathway strategies as well as initiatives to provide services to target populations.

Weaknesses: Local Boards need to increase client access to training and education programs that align with regional labor market dynamics, including apprenticeship programs and career pathway programs that grant “stackable” credentials. Local Boards would like to see greater investment in the training of frontline staff who engage clients, more technical assistance from the state on how to adopt best practices and build model partnerships, and more coordination at the local and regional level.
Employment Development Department

EDD is the largest public workforce development institution in the country and a member of the State Board. Located within LWDA alongside the State Board, EDD administers the WIOA Title I, federal Wagner-Peyser Act (WPA, WIOA Title III), labor market information, Disability Insurance, Paid Family Leave, Unemployment Insurance (UI), Trade Adjustment Assistance (TAA), and youth, disability, and veterans programs. EDD is also California’s major tax collection agency, administering the audit and collection of payroll taxes and maintaining the employment records for more than 17 million California workers. One of the largest departments in state government, handling over $100 billion annually, EDD has nearly 9,000 employees providing services at more than 200 locations throughout the state. Those services most relevant to the workforce system include all of the following:

- job search and placement services to job seekers including counseling, testing, occupational and labor market information, assessment, and referral to employers;
- recruiting services and special technical services for employers;
- program evaluation;
- developing linkages between services funded under WPA and related federal or state legislation, including the provision of labor exchange services at educational sites;
- providing services for workers who have received notice of permanent layoff or impending layoff, or workers in occupations which are experiencing limited demand due to technological change, impact of imports, or plant closures;
- collecting and analyzing California’s labor market information and employment data;
- developing a management information system and compiling and analyzing reports from the system; and
- administering the “work test” for the state unemployment compensation system and providing job finding and placement services for Unemployment Insurance claimants.

Complementary Roles of EDD and the State Board

The primary role of the State Board is policy development, while EDD is responsible for Wagner-Peyser job services, WIOA compliance, local technical assistance on compliance-related matters, administrative oversight, and the provision of labor market information. The State Board and EDD collaborate closely to implement the Governor’s vision and the policy objectives of the State Plan.
Clients/Service Population: EDD processes over 1.5 million initial unemployment insurance claims per year, over half a million disability insurance claims, and provides job services to 1.5 million people through Wagner-Peyser programs. EDD also operates several programs for targeted populations including job services programs for veterans, the disabled, youth, and foster youth.

Strengths: EDD’s online labor exchange system, The California Job Openings Browse System (CALJOBS) is accessible to both employers and job seekers throughout the state. CALJOBS contains over half a million job listings and is accessed by more than a million job seekers every year.

Weaknesses: Unemployment Insurance services and Wagner-Peyser job services have not been fully integrated into the AJCC system. EDD will be working to more fully integrate Wagner-Peyser staff into the AJCC system and is developing a plan to comply with mandatory partnership requirements pertaining to Unemployment Insurance.

Employment Training Panel

ETP is a statewide business-labor incumbent worker training and economic development program. ETP supports economic development in California through strategic partnerships with business, labor, and government and through the provision of financial assistance to California businesses to support customized worker training programs that attract and retain businesses; provide workers with secure jobs that pay good wages and have opportunities for advancement; assist employers to successfully compete in the global economy; and promote the benefits and ongoing investment in employee training among employers.

Clients/Service Population: ETP serves over 400 employers a year and 60,000 incumbent workers who receive training.

Strengths: The pay for performance nature of ETP contracts helps facilitate 70 percent retention rate for trained employees, resulting in both layoff aversion and business expansion.

Weaknesses: ETP has tended to grant on the job training (OJT) contracts to single employers and will be looking to increase the use of multi-employer contracts as part of the state’s move toward the use of sector strategies. ETP has traditionally not worked very closely with Local Boards and will enhance partnerships with Local Boards as part of regional organizing efforts around career pathways and sector engagement, as warranted by regional labor market needs.
California Community Colleges

The CCCCO participates on the State Board and on its WIOA Workgroup Committee. The Vice Chancellor for Workforce and Economic Development Division (WEDD) chairs the State Board’s WIOA Workforce Committee while the Executive Director of the State Board recently co-chaired CCCCO’s “Strong Workforce Taskforce” (Taskforce) an effort by the Chancellor’s Office and the community college Board of Governors to improve career technical education programs delivered through the community college system. The WEDD operates using a “sector strategies” policy framework known as “Doing What Matters for Jobs and the Economy” (DWM). Critical programs include the following:

Economic & Workforce Development Program

The Economic and Workforce Development (EWD) program helps community colleges become more responsive to regional labor markets. The CCCO provides funding for ninety-nine grants totaling $22.8 million and supports the community colleges in their mission to advance and improve career technical education and serve businesses to bolster regional economies. EWD’s industries of focus include advanced manufacturing; advanced transportation and renewable energy; biotechnology and life science; healthcare; international trade and logistics; agriculture, water and environmental technologies; energy efficiency and utilities; and informational communication technologies and digital media.

Apprenticeship Instruction

Apprenticeship programs offer both OJT and classroom training. To provide apprenticeship training for their employees, many employers partner with the California community colleges or with CDE’s Regional Occupational Programs/Centers and Adult Schools. The community colleges have approximately 25,000 apprentices enrolled in over 160 apprenticeship programs comprised of a total of sixty-six trades/crafts titles located on thirty-nine campuses.

Carl D. Perkins Career Technical Education

WEDD administers Perkins Act funds to provide resources to a regional consortium composed of representatives of CTE, workforce development, economic development, and contract education programs based at colleges within an economic region. These consortia partner with workforce professionals, educators and industry, to incubate, sustain, and spin off sector partnerships. Regional consortium chairs participate with the region’s larger workforce and economic development networks to help community colleges advance a region’s prosperity.
Community College Career Technical Education programs

The state’s major investment in CTE ($1.7 billion) comes from credit and non-credit course offerings at California’s 113 community colleges, with over a quarter of all community college full time equivalent students (FTES) enrolled in CTE courses. Community college credit and non-credit occupational programs are generally locally designed and delivered. Courses are part of a pathway leading to a credential, certificate, or transfer to a four-year college or stand-alone classes that can enhance students’ skills in a range of occupational fields.

Community College CalWORKS program

Many of the community colleges in California have developed partnerships between the on-campus students services/career centers and DSS’s CalWORKS program to ensure supportive services, tutoring, career counseling and other retention services are available for students receiving CalWORKS.

Clients/Service Population: California’s 113 community colleges offer 350 different fields of study, 8000 certificate programs, and 4,500 associate degree programs. Approximately one-third of the state’s 2.1 million community college students enroll in a community college CTE course.

Strengths: Community colleges offer low cost education programs that are accessible to the public, including populations with barriers to employment. Many community colleges have strong partnerships with Local Boards and locally administered TANF programs. Under SB 1402 (T. Lieu, Chapter 361, Statutes 2012), and “The Doing What Matters for Jobs and the Economy” program, regional consortia have been formed to respond programmatically to the needs of some of the state’s leading and emerging industry sectors. Community colleges also have a variety of programs designed to serve populations with barriers to employment including Disabled Student Programs and Services (DSPS), CalWORKs, Extended Opportunity Programs and Services (EOPS), Cooperative Agencies Resources for Education (CARE) Program, Foster and Kinship Care Education (FKCE) and Foster Youth Success Initiatives (FYSI).

Weaknesses: Following a nine month taskforce process involving stakeholders, including CTE Deans, local college leadership, leadership from the Chancellor’s Office, and faculty from throughout the system, the Strong Workforce Taskforce issued a report identifying policy recommendations to improve CTE programs by better aligning programs and curricula with regional labor markets, building stronger regional partnerships with K-12, workforce, and adult education providers; providing a
more robust supportive services system to ensure student success; creating new and better data partnerships with other programs; improving professional development opportunities for faculty; and, adopting innovative funding strategies to ensure the sustainability of CTE programs.

State Board of Education, California Department of Education, and Local Educational Programs

The SBE is the K-12 policy-making body for academic standards, curriculum, instructional materials, assessments and accountability. The SBE adopts instructional materials for use in grades kindergarten through eight. The SBE also adopts regulations to implement a wide variety of programs created by the Legislature, such as charter schools, and special education. In addition, the SBE has the authority to grant local education agency requests for waivers of certain provisions of the state education code, and acts on petitions to unify or reorganize school district boundaries. Finally, the SBE is officially the designated “State Education Agency” that is charged with providing policy guidance to the state and local education agencies regarding all federal education policies and programs such as the Elementary and Secondary Education Act, Carl D. Perkins Career Technical Education Improvement Act of 2006, WIOA, the Individuals with Disabilities Education Act, etc. The SBE has eleven members, all of whom are appointed by the Governor and serve four-year, staggered terms, with the exception of the student member, who serves a one-year term. The State Superintendent of Public Instruction, who heads the CDE, serves as the SBE’s executive officer and secretary.

CDE is the administrative and oversight body for K-12 programs, including career technical education and adult education and literacy programs in California. Four divisions within the CDE have program responsibilities associated, directly and/or indirectly, with WIOA. These divisions include the Career and College Transition Division, the Special Education Division, the English Learner and Support Division, and the Coordinated Student Support Division.

The CDE Career and College Transition Division includes programs for adult education and career technical education (CTE). Specifically, the adult education programs (AEP) in the state of California provide adult basic and secondary education skills including English, math, and English as a second language foundational competencies needed to enter post-secondary education and training as well as citizenship training. Adult schools have historically been the largest AEP provider at the local level. CTE integrates core academic knowledge with technical and occupational knowledge to provide students with a pathway to postsecondary education and careers. The federal program to support CTE in California is the Carl D.
Perkins Career and Technical Education Act of 2006 which the CDE jointly administers with the CCCCO.

The CDE English Learner Support Division oversees the Migrant Education program which serves migrant farmworkers, seasonal farmworkers, out of school youth, English learners, and immigrants.

**Clients/Service Population:** Transition services are provided to 137,000 Students with Disabilities (SWDs) statewide, including 94,000 served by Workability 1 programs; 23,000 at-risk students are served through county run juvenile justice facilities and county community schools; over half a million students are served under adult education, basic skills, and English as a Second Language programs, including federal WIOA Title II programs, and related state funded programs operated the state’s seventy Adult Education Block Grant Consortia; CDE also oversees CTE programs serving 970,000 secondary students and 59,000 adult CTE students.

**Strengths:** CDE, through the Career Pathways Trust, has invested $500,000,000 over the past two years to establish regional collaborative relationships and partnerships with business entities, community organizations, and local institutions of postsecondary education to develop and integrate standards-based academics with career-relevant, industry-themed pathways and work-based learning opportunities that are aligned to high-need, high-growth, or emerging regional economic sectors. CDE has also developed strong communities of practice on secondary transitions and has integrated work-based learning approaches for students with disabilities; ensured WIOA Title II grantees have the flexibility to match curriculum with the goals and objectives of other WIOA funded programs; and implemented an evaluation process for the Coordinated Student Support programs that utilizes information provided by program participants to help improve programs.

**Weaknesses:** Many students in CDE and Local Education Agencies (LEA) programs need access to supportive services such as counseling, childcare, and transportation services which could be addressed by better coordination at the state, local, and regional level between programs overseen by CDE, human service programs, and other workforce and education programs; CDE also lacks common student identifiers across educational segments which creates obstacles to data matching and tracking individuals into the labor market.

**Governor’s Office of Business and Economic Development**

GO-Biz was created to serve as California’s single point of contact for economic development and job creation efforts. GO-Biz offers a range of services to business
owners including: attraction, retention and expansion services, site selection, permit streamlining, clearing of regulatory hurdles, small business assistance, international trade development, and assistance in accessing state government programs.

The unified state plan focuses on both emerging and established industry sectors, as well as entrepreneurship and small business growth. GO-Biz will provide critical information on employer trends in all of these contexts, in conjunction with local and regional economic development organizations, including Innovation Hubs (iHubs), Small Business Development Centers (SBDCs), and Economic Development Corporations (EDCs). Through analysis of these trends, GO-Biz and other key public workforce development institutions will collaborate to align workforce policy with domestic and international trade and business development.

**Clients/Service Population:** GO-Biz works directly with businesses to help these organizations understand opportunities to start, maintain, and grow operations in California. This assistance includes, but is not limited to: site selection, permit assistance, international trade development, connectivity to strategic partnerships, information on incentive programs, and referrals to local and state business assistance resources. In addition to direct business assistance, GO-Biz also administers programs led by regional business assistance and economic development organizations, including the Innovation Hub (iHub) program and a capital infusion program for California’s Small Business Development Center Network.

**Strengths:** Through its direct interactions with California businesses of all sizes and industry sectors, GO-Biz helps California businesses communicate their workforce development needs to ETP, Local Boards, educational institutions and training providers. In conjunction with its local, regional and state partners, GO-Biz connects businesses with workforce needs to applicable resources. These partner organizations often possess unique knowledge of emerging economic sectors, entrepreneurial activity, strategic industry partnerships, and overlapping skills requirements across multiple industry sectors. In addition, GO-Biz provides businesses and workforce development partners with information on a variety of business incentive programs that encourage hiring and/or training.

**Weaknesses:** In order to reach a wider audience of businesses, education, and local workforce partners, GO-Biz needs to better coordinate assistance with state, regional and local partners. Under the State Plan, GO-Biz will engage workforce development partners at the state and regional level to help align workforce development programs with employer needs.
Health and Human Services Agency

As one of California’s key public workforce development institutions, HHSA represents the Department of Aging, DOR, DSS and the Office of Statewide Healthcare Planning and Development on the State Board and actively supports job placement and training services for: individuals with disabilities, socially and economically disadvantaged, at-risk youth and other traditionally underrepresented populations with high unemployment rates.

Department of Rehabilitation

The mission of DOR is to work in partnership with consumers and other stakeholders to provide services and advocacy resulting in employment, independent living, and equality for individuals with disabilities in California. DOR administers the largest vocational rehabilitation (VR) program in the country. Employment services are provided annually by approximately 1,300 staff in over eighty-five offices in California over an extended period of time to approximately 100,000 individuals with significant physical and mental disabilities to assist them to prepare for and obtain competitive employment in integrated work settings at or above minimum wage.

Generally, the population provided services through the VR program are individuals with disabilities who are not employed, or who are not employed consistent with their potential (also known as “under-employed”). The distinct needs of DOR participants (also referred to as DOR consumers) vary greatly depending upon individual, disability-related impediment(s) to employment and the consumer’s employment goal. In collaboration with the DOR Senior Vocational Rehabilitation Counselor-Qualified Rehabilitation Professional (SVRC-QRP), consumers engage in an interactive process to evaluate their individual disability-related functional limitations or needs and identify VR services required to prepare for, secure, retain or regain employment that is consistent with their unique strengths, resources, priorities, concerns, abilities, capabilities, interests, and informed choice.

After determining eligibility, through a comprehensive assessment and planning process and in collaboration with the rehabilitation counselor, the consumer develops an Individualized Plan for Employment (IPE) that identifies the employment goal and required VR services to achieve that goal. VR plan services may include, but are not limited to:

- Counseling and guidance.
- Referrals and assistance to get services from other agencies.
- Job search and placement assistance.
• Vocational and other training services, including, but not limited to, pre-employment training and soft skills training.
• Evaluation of physical and mental impairments.
• On-the-job or personal assistance services.
• Interpreter services.
• Rehabilitation and orientation or mobility services for individuals who are deaf or hard of hearing and/or blind or low vision.
• Occupational licenses, tools, equipment, initial stocks, and supplies.
• Technical assistance for self-employment.
• Rehabilitation assistive technology services and devices.
• Supported employment services.
• Services to the family.
• Transportation as required, such as travel and related expenses, that is necessary to enable the consumer to participate in a VR service.
• Transition services for students.
• Work Incentive Planning, which includes providing information on potential employment earning impacts to Supplemental Security Income (SSI), Social Security Disability Income (SSDI), and Ticket to Work (TTW).
• Expansion of employment opportunities for individuals with disabilities, including, but are not limited to, professional employment and self-employment.
• Post-employment services.

Client/Service Population: In federal fiscal year 2014, DOR provided services to approximately 98,000 eligible individuals with disabilities, including 6,500 who were blind or visually impaired; 13,300 with cognitive disabilities; 18,200 with learning disabilities; 4,900 with intellectual or developmental disabilities; 6,500 deaf or hard of hearing individuals; 19,100 with physical disabilities; 26,100 with psychiatric disabilities; 1,200 with traumatic brain injury; and 2,200 individuals with other disabilities.

Strengths: DOR employs qualified SVRC-QRPs with master’s degrees who are trained in assessment, career planning, job placement, and assistive technology services to meet the employment needs of eligible individuals with disabilities. DOR utilizes a consumer-centered approach to service delivery through a team that includes SVRC-QRPs, service coordinators, employment coordinators, and other support staff to deliver effective and timely consumer services throughout the state. The employment coordinators provide labor market analysis, employer engagement, disability sensitivity training, and other supportive services to assist clients in
achieving an employment outcome. Coupled with the direct services provided by the team, DOR maintains a network of partnerships with community based disability organizations and other public agencies, including high schools, community colleges, universities, and county mental health agencies to provide a greater range of employment services and opportunities to DOR consumers than would be otherwise available through any single agency. Lastly, given its focus and expertise, DOR has positioned itself to be California’s leadership voice in state government and administers other programs, including the Disability Access Services, to assist in removing barriers to full inclusion of individuals with disabilities in the workforce, in state government, and in community life.

**Weaknesses:** The VR program is not an entitlement program. Lacking sufficient funding to serve all eligible consumers in the VR program, DOR is currently operating under an Order of Selection (OOS) process. Federal regulations stipulate that whenever a state has insufficient funds to serve all eligible applicants for VR services, an OOS system must be developed and implemented that will ensure individuals with the most significant disabilities are provided services first. DOR has been operating under an OOS process since September 1995. Currently, DOR is providing services to all eligible individuals with the most significant disabilities (category I) and eligible applicants with significant disabilities (category II). For individuals with disabilities who do not meet the OOS (category III), there is insufficient number of service providers and community resources, especially in rural areas, that are physically and/or programmatically accessible to support their employment and independence needs.

**Department of Social Services**

DSS oversees the operation of California’s Temporary Assistance to Needy Families (TANF) program, known as CalWORKs, and the programs operated under Supplemental Nutrition Assistance Program Employment and Training (SNAP E&T), known as CalFresh E&T. These programs are administered directly by California’s counties.

CalWORKs operates in all fifty-eight counties providing temporary cash assistance to meet family basic needs and welfare-to-work services to help families become self-sufficient. CalWORKs programs are able to provide a wide array of services, including education and training, ancillary supportive services such as childcare and transportation support, and help with domestic violence and substance abuse issues.

CalFresh E&T is currently offering employment and training services for non-assistance CalFresh participants, including individuals who are required to be work
registrants, volunteers, and able-bodied without dependents in twenty-four California counties.

**Clients/Service Population:** CalFresh E&T serves over 70,000 Californians. The CalWORKs caseload is approximately 530,000 cases, which equates to about 1.2 million Californians. Approximately 270,000 of these cases are eligible for welfare-to-work programs.

**Strengths:** CalFresh E&T has strong relationships with Local Boards in the counties where it operates and the program is good at ensuring access to mental health and substance abuse services. CalWORKs has a robust subsidized employment program and has a lot of flexibility in the types of services it can provide. CalWORKs has an existing relationship with community colleges to provide support for CalWORKS recipients enrolled in academic and career pathway programs. Recent changes in CalWORKs have shifted the program away from “work-first” policies and towards a “skills attainment/barrier removal agenda” to ensure that TANF recipients are positioned to achieve long-term successful outcomes and upward mobility.

**Weaknesses:** California’s TANF program is designed primarily to combat child poverty by continuing to provide aid to children even when the adult(s) cannot or refuses to participate in the welfare-to-work program. As a result, California serves a higher percentage of needy families than the rest of the nation and serves adults who often face significant barriers to employment. Recent changes in CalWORKs have shifted the program away from “work-first” policies and towards a “skills attainment/barrier removal agenda” to ensure that TANF recipients are positioned to achieve long-term successful outcomes and upward mobility.

**Department of Industrial Relations – Division of Apprenticeship Standards**

The DIR-DAS administers California apprenticeship law and enforces apprenticeship standards for wages, hours, working conditions and the specific skills required for state certification as a journeyperson in an apprenticeable occupation. DIR-DAS promotes apprenticeship training through creation of partnerships, consults with program sponsors and monitors programs to ensure high standards for on-the-job training and supplemental classroom instruction. Through this effort, the retiring skilled workforce is replenished with new skilled workers to keep California’s economic engine running strong.

**Clients/Service Population:** DIR-DAS serves industry, educational institutions, government, and apprentice and journey level workers. California leads the nation with 53,366 apprentices registered in over 540 programs recognized by DAS.
**Strengths:** The apprenticeship model of skill development, “earn and learn”, has a proven track record of placing workers in high-wage, middle-skills career pathways. The apprenticeship system of training is efficient and cost-effective and results in higher retention rates, lower turnover, and reduced costs for recruitment of new employees. The curriculum and on-the-job training are guided by industry and meet industry needs. Apprenticeship connects employers with public education facilities for related classroom instruction.

**Weaknesses:** The majority of existing apprenticeship programs are established for occupations in the construction and building trades. Women and minorities continue to be underrepresented in many apprenticeship programs.

**WIOA Section 166 Indian/Native American Programs**

The WIOA Section 166 Indian/Native American (INA) Program supports employment and training activities for Indian, Alaska Native, and Native Hawaiian people, helping more fully develop their academic, occupational and literacy skills to help them compete more effectively in the job market and achieve personal and economic self-sufficiency. There are eight WIOA Section 166 INA Employment and Training grantees in California that collectively receive $5.67 million to provide services to Indian and other Native American populations in California:

- Northern California Indian Development Council, Inc.
- Ya-Ka-Ama Indian Education and Development, Inc.
- United Indian Nations, Inc.
- California Indian Manpower Consortium
- Tule River Tribal Council
- Candelaria American Indian Council
- Southern California Indian Resource Center, Inc.
- Indian Human Resource Center.

The State Board is committed to ensuring the AJCC provide Indian and Native Americans equal access to the WIOA Adult, Dislocated Worker and Youth programs and will work with Local Boards to include in their local plans their strategies to collaborate with their area Section 166 grantee(s) to provide Indian and Native Americans equal access to AJCC services and WIOA service provider opportunities and will engage the INA grantees and EDD in discussions about aligning client tracking and reporting systems.
Clients/Service Population: Section 166 INA Program serves Indians, Alaska Natives, and Native Hawaiians who are unemployed, or underemployed, or low-income individuals, or a recipient of a lay-off notice.

Strengths: The INA programs promote the economic and social development of Indian communities. Services are provided in a culturally appropriate manner, consistent with the principles of Indian self-determination.

Weakness: The funding allocated to INA programs is insufficient to meet the needs of the population and in most areas of California there is a weak system for co-enrolling the INA population with the AJCC system. Many INA grantees are located in rural areas and lack access to technology and support services including transportation.

Section 167 Farmworker Service Programs
The National Farmworker Jobs Program is a nationally-directed, locally-administered program of employment and training services for migrant and seasonal farmworkers. Created under the Economic Opportunity Act of 1964, and currently authorized section 167 of WIOA, the program seeks to counter the chronic unemployment and underemployments experienced by migrant seasonal farmworkers (MSFW) who depend primarily on seasonal jobs in California's agricultural sector. There are five WIOA Section 167 farmworker service programs represented statewide by La Cooperativa Campesina de California: collectively, they receive $19.38 million from the Department of Labor for PY 2015-16.

- Center for Employment Training, Inc.
- California Human Development Corporation
- Central Valley Opportunity Centers, Inc.
- County of Kern, Employers’ Training Resource
- Proteus Inc.

These programs provide services throughout California but especially in rural areas where farmworkers live and work. Training services include English as a Second Language (ESL), General Education Development (GED), adult and family literacy, basic education, vocational education, and employer-based training. Related services such as childcare, transportation, emergency services, housing, counseling, job placement, and follow-up services enhance these training efforts.

The State Board is committed to ensuring the America’s Job Centers of California (AJCC) provide Migrant/Seasonal Farm Workers equal access to the WIOA Adult,
Dislocated Worker and Youth programs and will work with Local Boards to include in their Local Plans their strategies to collaborate with their Section 167 grantee(s) to provide MSFW equal access to AJCC services and WIOA service providers. The State Board will encourage AJCC’s to do the following:

- Share employer, labor market information and job training opportunities within the local region
- Support growers by listing farm-related job openings within the agricultural community
- Co-recruit, co-enroll, and co-case manage MSFWs who can benefit from workforce development services at the local level and develop opportunities for leveraging funding to acquire the support service needs of MSFWs and other low-income individuals in job training and long term employment sustainability., and
- Share staff training and bi-lingual resources to co-develop a strong comprehensive workforce staff service network at the local level across program titles for all local partners.

**Clients/Service Population:** WIOA Section 167 grantees serve eligible migrant/seasonal farmworkers and their dependents. Eligible farmworkers are those individuals who primarily depend on employment in agricultural labor that is characterized by chronic unemployment and underemployment.

**Strengths:** WIOA Section 167 grantees have well-developed relationships with Local Boards and the AJCC system, provide occupational skills training, related supportive services, and housing assistance to the MSFW population. Many Section 167 grantees also qualify as Eligible Training Providers, list programs on the State ETPL, and also receive referrals from AJCCs.

**Weakness:** The funding allocated to MSFW programs is insufficient to meet the needs of the population and many MSFWs have limited English language capacity and do not have access to supportive services, including transportation and child care, which limits opportunities for them to attain skills, credentials, and degrees from the “mainstream” educational system.

**Job Corps**

Job Corps is the nation's largest and most comprehensive residential education and job training program for at-risk youth, ages 16 through 24. Through a nationwide network of campuses, Job Corps offers a comprehensive array of career development services to prepare young people for successful careers. Job Corps employs a holistic
career development training approach which integrates the teaching of academic, vocational and employability skills, and social competencies through a combination of classroom, practical and work-based learning experiences to prepare youth for stable, long-term, high-paying jobs.

Job Corps’ focus is consistent with the State Plan. Through local and regional planning guidance, the State Board will ensure that Local Boards work with Job Corps and coordinate regionally with California’s Job Corps centers in San Bernardino, Long Beach, Los Angeles, Sacramento, San Diego, San Francisco, and San Jose.

**Clients/Service Population:** Job Corps serves young men and women age 16-24 who are out of school and have barriers to employment.

**Strengths:** Job Corps is a comprehensive program which provides high school diploma and equivalency programs, occupational skills training, work readiness, and housing and supportive services to young men and women enrolled in the program.

**Weakness:** While California has six Job Corps Centers, not all local areas can access services.
Chapter 3: Comprehensive Overview of Policy Strategies (Corresponding to Strategic Planning Elements Required Under WIOA Sec. 102(b)(1)(D-E))

The state will employ and will require state plan partners to adopt or participate, to the extent appropriate for each program, seven policy strategies that frame, align, and guide program coordination at the state, local, and regional levels in order to achieve the state’s three policy objectives:

- **Fostering “demand-driven skills attainment”**: Workforce and education programs need to align program content with the state’s industry sector needs so as to provide California’s employers and businesses with the skilled workforce it needs to compete in the global economy.
- **Enabling upward mobility for all Californians**: including populations with barriers to employment. Workforce and education programs need to be accessible for all Californians and ensure that everyone has access to a marketable set of skills and is able to access the level of education necessary to ensure both economic self-sufficiency and economic security.
- **Aligning, coordinating, and integrating programs and services** to economize limited resources, while also providing the right services to clients, based on each client’s particular and potentially unique needs so as to facilitate labor market relevant skills-attainment necessary for those who want to obtain upward mobility.

**Policy Strategies (WIOA Sec. 102(b)(1)(D))**

The seven policy strategies emphasized in this State Plan—sector strategies, career pathways, “earn and learn”, organizing regionally, providing supportive services, building cross-system data capacity, and braiding resources and integrating services—are evidence-based and have been shown to work, helping ensure effective delivery of services, and increasing the likelihood that those who receive services obtain gainful employment.

This section of the State Plan provides a more comprehensive overview of the strategies the state will implement. The chapters that follow outline more specifically how these strategies will be put into operation and coordinated by the core programs and other state plan partners. The descriptions given here are designed to outline their policy content and the rationale for their use. The chapter ends with a description of the manner in which local and regional workforce plans will operate as the mechanism for implementing local service delivery and regional coordination to assure that the state policy of this plan is carried out.
Sector Strategies: A Demand-Driven Workforce Investment Strategy

“Sector strategies” are policy initiatives designed to promote the economic growth and development of a state’s competitive industries using strategic workforce investments to boost labor productivity. The strategic focus is on prioritizing investments where overall economic returns are likely to be highest, specifically in those sectors that will generate significant gains in terms of jobs and income.

Targeting the right sectors is essential and requires that policy makers use economic and labor market data to determine which industry sectors are best positioned to make gains if investments in workforce development are made. Investment decisions are typically also contingent on the degree to which a sector faces critical workforce supply problems, for example, whether the industry faces a shortage of skilled workers in a particular occupation.

When done successfully, sector strategies can lead to mutually beneficial outcomes for business, labor, and the state by increasing competitiveness and growth, improving worker employability and income, and reducing the need for social services while also bolstering government revenues generated by both business and workers.

In order to ensure that policies help produce beneficial outcomes for workers as well as business, sector investments should take into consideration the quality of jobs for which training resources are made available. Ideally, training should result in livable wage jobs with benefits that provide access to career opportunities through job placement in an occupation that is part of a well-articulated career ladder.

A key element of sector strategies is the emphasis on industry and sector partnerships. These partnerships bring together multiple employers within a sector to find shared solutions to their common workforce problems.

Under sector partnerships, firms work with representatives of labor, as well as education and workforce professionals, to develop a concrete program to address that industry’s particular skills shortages. The development of shared solutions typically involves the convening of various stakeholders to develop a general understanding of the challenges the sector faces on an ongoing basis. For the process to be successful, partners need to regularly meet to develop a concrete plan to solve workforce problems by implementing agreed-upon remedies.

The collective focus on shared problem-solving sets sector strategies apart from more traditional training programs that focus on either individual workers or individual firms. Problems are addressed systemically and collectively. Industry partners examine the interrelated workforce needs of the entire industry, diagnose problems,
and align the monetary and institutional resources of not only industry but also labor, and the relevant workforce and educational systems as the chief means to plug relevant skills gaps.

Where they have been implemented, sector strategies initiatives have funded the following activities:

- Convening industry partners on a regular, ongoing basis to build relationships between stakeholders and firms in the targeted industry sector.
- Providing resources for sector research related to industry and market trends affecting workforce needs.
- Developing multi-year plans focused on the training and placement of workers in identified priority occupations.
- Boosting industry capacity related to workforce needs, such as developing common worker training centers, providing contract support services for industry employees, and research and development related to workforce development (for example, curricula development).
- Providing business services, such as help in implementing industry human resources best practices.
- Developing skills standards and new degrees and certificates as a basis to guarantee minimum job qualifications for workers in priority occupations.
- Developing well-articulated career pathways promoting job advancement for workers who are entering the sector, as well as those already employed in the sector.
- Identifying training providers and educators and working to align relevant programs with industry needs.

All of the foregoing activities are designed to (a) establish the partnership, (b) develop a concrete plan, and (c) foster the implementation of the plan through an ongoing alignment of resources and institutions to ensure that the training goals of the plan are carried out.

**Career Pathways**

California’s education code and the State Workforce Innovation and Opportunity Act both define career pathways in the following manner:

“Career pathways,” “career ladders,” or “career lattices” mean an identified series of positions, work experiences, or educational benchmarks or credentials with multiple access points that offer occupational and financial advancement within a specified career field or related fields over time.
Career pathways are designed to facilitate incremental and progressive skills attainment over time, in clearly segmented blocks, such that those who move through the pathway obtain education or training services built on the foundation of prior learning efforts. The objective is to provide a packaged set of skills which has demonstrable labor market value at each stage of the learning process. Key elements of successful pathway programs include the following:

- Varied and flexible means of entry, exit, and participation through multiple “on and off ramps” and innovative scheduling practices.
- Entry and exit points are based on student, worker, or client’s needs as well as their educational or skill levels, allowing those of different skill levels to participate where appropriate.
- Flexible exit allows those who cannot complete a longer term program the ability to build longer term skills through short term serial training efforts.
- Pathways programs are characterized by a high degree of program alignment and service coordination among relevant agencies, which can typically include adult education and basic skills programs, community colleges CTE programs, high school CTE programs, workforce development board programs, as well as social services agencies.
- The receipt of industry-valued credentials at each stage of training.
- Employer engagement to ensure that training and education are relevant to the labor market.

Career pathways programs are particularly useful in serving populations with barriers to employment because they can be packaged in a way that responds to client population needs. Combining career pathway programs with sector strategies has the potential to help move populations with barriers to employment into the labor force while also meeting employer’s workforce needs.

**Utilizing Earn and Learn Strategies**

“Earn and learn” policies are designed to facilitate skills attainment while also providing those participating in these programs with some form of compensated work experience, allowing them to “earn” income while they “learn” to do a job. Because many WIOA customers have barriers to employment and cannot afford to attend an education or training program full time, not only because of costs associated with training and education fees and tuition, but also because time spent in the classroom reduces time that can be spent earning income, “earn and learn” opportunities are an important strategy for success.
Under SB 342, (H.B. Jackson, Chapter 507, Statutes of 2015), the California State Workforce Innovation and Opportunity Act defines “earn and learn” policies as those training and education policies that combine “applied-learning in a workplace setting with compensation allowing workers or students to gain work experience and secure a wage as they develop skills and competencies directly relevant to the occupation or career for which they are preparing”. SB 342 points out that “earn and learn” programs typically bring together “classroom instruction with on-the-job training to combine both formal instruction and actual paid work experience.” These programs include, but are not limited to, all of the following:

- apprenticeships;
- pre-apprenticeships;
- incumbent worker training,
- transitional and subsidized employment;
- paid internships and externships; and
- project-based compensated learning.

The principles of “earn and learn” are broad enough to allow for flexible program design. As such, programs may be customized to serve clients on the basis of their given level of skills and their particular educational or training needs. Transitional and subsidized employment programs, for example, can be used to provide work experience to those who have none, facilitating the hiring of individuals that employers might not otherwise employ. These programs may help get TANF recipients and other individuals with barriers to employment into the labor market, thereby helping establish work experience and an employment history that individuals need to build their resume.

Other “earn and learn” programs, like the incumbent worker training programs operated by ETP, may serve other purposes, such as keeping the state’s workforce productive and its businesses competitive. “Earn and learn” programs can be flexibly designed and paired with other policy strategies, such as sector strategies and career pathways, to increase the skills and employability of the workforce while also aligning workforce, education, and training programs with labor market dynamics and employer needs.

Organizing Regionally

Labor markets and industry are both organized regionally. Organizing workforce and education programs regionally increases the likelihood that workforce and education programs can be aligned to serve the needs of labor markets. The means to do this is regular ongoing industry engagement and the building of partnerships with industry.
and those agencies and departments, and other stakeholders whose programs and services directly impact the ability of the state’s workforce and education programs to service industry needs while also helping job seekers get the skills they need to succeed in the labor market.

Regional organizing efforts should aim for the development value-added partnerships that not only help achieve the policy goals of the partnership but also help partners achieve their organizational goals. A value-added partnership is one in which all partners gain from the relationships built through the organizing process. Ideally, “gains to exchange” will occur as long as partners transact with one another on the basis of specialization by providing services consistent with each programs’ core competencies. Partners are thereby able to leverage one another’s expertise, building a proverbial “sum that is greater than its parts.” When fashioned in this manner, regionally organized programs economize the use of scarce resources, while also allowing program operators to take programs to scale, reduce administrative costs, and package and coordinate services on the basis of specialization.

Federal and California state law both encourage efforts to align workforce and educational programs at the regional level in order to align programs with each other and regional labor market dynamics.

Prior to the passage of WIOA, California passed SB 118 (T. Lieu, Chapter 361, Statutes of 2013), SB 1402 (T. Lieu, Chapter 361, Statutes 2012), and SB 698 (T. Lieu, Chapter 497, Statutes of 2011). Collectively these statutes directed the state’s workforce and community colleges workforce programs to think, plan, and invest regionally.

- SB 118 added regionally focused “sector strategies” language to what was then called the California Workforce Investment Act and directed the State Board to work with relevant educational, workforce, and economic development agencies, at the state and local levels, to ensure regional coordination and alignment of programs with regional industry needs.
- SB 1402 reauthorized the CCCO Economic and Workforce Development Program (EWD) and recast the policy direction of the program to align program investments with regional labor market dynamics. SB 1402 also directed program operators to employ sector strategies and to facilitate the development of career pathway programs aligned with regional industry sector needs. Much of the policy language in SB 1402 is similar, if not always identical to, the language contained in SB 118.
- SB 698 directs the State Board to work with Local Boards to develop policies and standards for certification of Local Boards as “high performance” boards.
These policies and standards are intended to encourage the involvement of major regional employers and industry groups in the Local Board planning process, the regional coordination and alignment of workforce and education services, and investments in training and education programs that align with regional labor market needs.

The new federal law also directs states to develop policies that enable the building of regional partnerships. WIOA specifically directs the Governor to designate regional planning areas aligned with regional labor markets so as to facilitate the implementation of sector strategies, the coordination of service delivery, the pooling of administrative costs, and the collective development of shared strategies among regionally organized Local Boards to ensure accountability and overall program performance.

From the State Board’s perspective, the objective of regional organizing efforts is not to create monolithic one-size-fits-all uniform workforce and education programs, but rather to coordinate service delivery on the basis of programs strengths while also aligning partner programs with each region’s particular labor market needs. The exact manner in which these partnerships come together will vary from region to region based on the unique set of circumstances that shape each region’s workforce needs.

Providing Supportive Services

Many of the clients served by the state’s workforce and education programs face barriers to employment that also undermine their ability to complete a training or educational program which could help them upskill or reskill in a manner that increases their labor market prospects.

Whether individuals being served have disabilities, face employment discrimination, lack basic education, or grapple with poverty, it is evident that individuals often need access to a broad array of ancillary services to help them complete training or education programs and successfully enter the labor market.

Supportive services provided through the state’s workforce and education programs include everything from academic and career counseling, to subsidized childcare and dependent care, to transportation vouchers, to payment for books, uniforms, and course equipment, to substance abuse treatment, as well as the use of assistive technology for California’s disabled population. Supportive services may also include licensing fees, legal assistance, housing assistance, emergency assistance, and other needs-related payments that are necessary to enable an individual to participate in career and training services.
Supportive services are awarded to individuals in financial need, based on individual assessment and the availability of funds. Supportive service awards are intended to enable an individual to participate in workforce-funded programs and activities to secure and retain employment.

Which type of supportive services should be provided depends on each particular client’s needs and background, as well as the eligibility criteria for various services offered by state plan partner programs. The exact menu of services offered to program participants will vary from region to region and locality to locality, but state policy pertaining to One-Stop design and customer-centered service delivery provides for a comprehensive level of baseline service at the AJCCs.

Local and regionally organized workforce development boards will be encouraged to go beyond baseline service requirements to tailor-make a menu of services that suits their client populations’ specific needs while reinforcing partnerships developed at the local and regional level.

**Building Cross System Data Capacity**

Under this State Plan, the following types of data will guide the design and evaluation of workforce and education programs in California:

- Diagnostic data pertaining to the relative importance of the different industries, sectors, and occupations throughout California.
- Diagnostic data analyzing the extent to which state education and training programs are preparing students and workers with the requisite industry-recognized skills and credentials to meet employer’s skills needs and future industry demand for trained workers in relevant sectors and occupations across California’s regions.
- Performance data on workforce and education programs, including required WIOA performance data.
- To the extent feasible, broader performance data, including impact analyses and return on investment studies that allow one to assess the value of the state’s workforce and education programs, as well as the ability to track outcomes longitudinally to assess and evaluate the effectiveness of career pathways.

Diagnostic data is intended to help steer investment to help ensure that programs align with labor market trends and needs by looking at patterns of job growth as well as aggregate education and training program output with respect to the number of degrees and certificates received and industry recognized credentials awarded.
Performance data is intended to measure typical program outcomes for individuals receiving services while helping quantify skills attainment and degree and credential production.

State law in California directs the State Board and the Economic and Workforce Development (EWD), program of the CCCO to operate workforce and education programs that are “data driven and evidence based”. (See, for example, SB 118, T. Lieu, Chapter 562, Statutes of 2013, and SB 1402, T. Lieu, Chapter 361, Statutes 2012).

**SB 118** (T. Lieu, Chapter 562, Statutes of 2013), for example, specifically requires that the State Board provide periodic “skills-gap analysis enumerating occupational and skills shortages in the industry sectors and industry clusters identified as having strategic importance to the state’s economy and its regional economies,” and then use this analysis “to specify a list of high-priority, in-demand occupations for the state and its regional economies.”

**SB 1402** (T. Lieu, Chapter 361, Statutes 2012) requires that the CCCO EWD program which provides financial support, technical assistance, and policy guidance to community college CTE programs, report performance data for the programs it funds. This data must include all of the following:

- measures of skills or competency attainment for those who receive training or education under the program;
- measures relevant to program completion, including measures of course, certificate, degree, and program of study rates of completion;
- measures of employment placement or measures of educational progression, such as transfer readiness, depending on whether the client is entering the labor market or continuing in education;
- measures of income, including wage measures for those who have entered the labor market following completion of the education or workforce training services offered under the program, and
- quantitative assessment of impacts on businesses which may include data pertaining to profitability, labor productivity, workplace injuries, employer cost savings resulting from improved business processes, levels of customer satisfaction, employee retention rates, estimates of new revenue generated, sales, and market penetration, as well as information pertaining to new products or services developed.
AB 104 (Assembly Budget Committee, Chapter 13, Statutes of 2015) requires that adult education providers working together in regional consortia develop a shared system of performance assessment that captures the following data:

- How many adults are served by members of the consortium
- How many adults served by members of the consortium have demonstrated improved literacy skills
- Completion of high school diplomas or their recognized equivalents
- Completion of postsecondary certificates, degrees, or training programs,
- Placement into jobs
- Improved wages

AB 2148 (K. Mullin, Chapter 385, Statutes of 2014) mandates the creation of an Internet-based, annual workforce metrics dashboard that includes information on participant outcomes from community college career technical education, ETP programs, WIA and WIOA Title I Adult, Youth, Dislocated Workers, and Title II AEPs, as well as Trade Adjustment Assistance, and state apprenticeship programs. These programs must provide data to measure the following:

- program completion, degree and certificate completion;
- demographic participation, including veteran status, age, gender, race/ethnicity; and
- wage and labor market outcomes.

Like state law, WIOA requires the uses of regional labor market data for strategic planning and investment purposes, and requires performance reporting to measure program outcomes.

WIOA requires the use of the labor market data in the development WIOA regional plans and requires EDD’s LMID to provide regional labor market data to facilitate regional planning.

Performance measures required under WIOA are similar to those required under state law and could conceivably be used to meet some California statutory requirements under SB 1402, AB 104, and AB 2148. These measures include the following:

- Participant employment, measured two quarters and four quarters after program exit.
- Median wage of employed program participants two quarters after exit.
• In-program, measurable skills gain of program participants in an education or training program leading to a postsecondary degree (methodology yet to be determined).
• Postsecondary credential or secondary degree attainment by program participants measured during participation or within one year after program exit.
• One or more measures of program effectiveness serving employers (measures yet to be determined).
• For youth programs, the share of program participants who are employed or who have been placed in an education or training program within two quarters and four quarters after program exit.

Under this State Plan, the State Board will identify opportunities to work with plan partners to share and, to the extent feasible, integrate both diagnostic and performance data so as to optimize program performance of all state plan partners.

Integrating Services and Braiding Resources

Integrating service delivery and braiding resources are ways that workforce and education programs can achieve program alignment and assure access to the broad array of services funded across the state’s workforce and education programs. In California, resources will be braided and services integrated and aligned through the creation of “value-added” partnerships at the state, regional, and local levels.

A value-added partnership is one in which all partners gain from the partnership. Ideally, “gains to exchange” occur and partners transact with one another on the basis of specialization, providing services consistent with each programs’ core competencies. Partners thereby leverage one another’s expertise, building a proverbial “sum that is greater than its parts.”

Integrated service delivery can take many forms but perhaps is best exemplified in the use of the AJCCs. WIOA maintains the One-Stop career center delivery system initiated under WIA, but re-focuses the system on skills development, attainment of industry-recognized/industry relevant credentials and degrees, and prioritization of career pathways in high demand sectors.

WIOA gives AJCC staff the flexibility to provide services based on the needs of the job seeker by eliminating the sequence of service provision of WIA, combining WIA core and intensive services into a new category called “career services”, and by eliminating the requirement that job seeking customers must participate in multiple activities.
before entering into training. Career services should provide job seeking individuals with skills and tools necessary for successful participation in education and training programs resulting in credentials/degrees and employment in career pathways in high demand sectors. In California this will occur through the application of the Integrated Service Delivery (ISD) model originally implemented under WIA but now updated to reflect the policy changes characteristic of WIOA.
Chapter 4: The California Workforce Development Board, Its Role, and Functions (corresponding to the Operational Planning Elements of the State Plan related to the State Board’s Functions, WIOA Secs. 101(d), 102b(2)(A)), and 102b(2)(C)(i).

The State Board: Role, Functions, and Operational Structure

Under AB 1270 (E. Garcia, Chapter 94, Statutes of 2015) the California Workforce Innovation and Opportunity Act, “The California Workforce Development Board is 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.”

One primary responsibility of the State Board is to develop and implement, in close consultation with the Governor, a comprehensive and strategic workforce development plan for California. This mandate is both in federal and state law. Under AB 1270 (E. Garcia, Chapter 94, Statutes of 2015) the California Workforce Innovation and Opportunity Act brings together state and federal planning requirements and requires that:

The California Workforce Development Board, in collaboration with state and local partners, including the Chancellor of the California Community Colleges, the State Department of Education, other appropriate state agencies, and local workforce development boards, shall develop the State Plan to serve as a framework for the development of public policy, employment services, fiscal investment, and operation of all state labor exchange, workforce education, and training programs to address the state’s economic, demographic, and workforce needs. The strategic workforce plan shall be prepared in a manner consistent with the requirements of the federal Workforce Innovation and Opportunity Act of 2014.

Part of the requirements for the unified state plan required under federal law is to specify how the state board will implement its federally required functions pertaining to the following:

- State plan development.
- Policy and program review to develop recommendations to build a comprehensive system.
- Fostering continuous improvement pertaining to:
  - system alignment,
- access,
- sector engagement,
- career pathways,
- regionalism,
- One-Stop services, and
- staff development.

- Development and updating of the performance accountability system
- The identification and dissemination of information on best practices related to:
  - One-Stop access for those with barriers to employment
  - Building local board capacity
  - The use of effective training programs responsive to labor market needs
- The development and review of statewide policies pertaining to coordination of services through One-Stops, including:
  - objective criteria and procedures for assessing effectiveness and improvement;
  - guidance for allocation of infrastructure funds; and
  - policies relating to roles and equitable distribution of resources
- Developing innovative technological practices to improve One-Stops with regard to:
  - enhancing digital literacy skills
  - accelerating skills and credential attainment
  - professional development of One-Stop front line staff
  - ensuring technological accessibility for person with disabilities
- The development of allocation formulas for the distribution of funds
- The preparation of annual reports
- The development of the statewide labor market information system

The sections in this chapter discuss how the State Board will carry out its functions with respect to the development and implementation of the unified plan.

**The State Board and Its Composition**

The members of the State Board are appointed by the Governor in conformity with WIOA Section 101(b) and California UI Code Section 14012. As required by federal and state statutes, the State Board has a business majority (27 of 53 members), and 20 percent workforce representation, including 15 percent representation for organized labor. State Board membership also includes representation for the state’s core programs, as well as K-12 and community college representation to ensure coordination between the state’s education and workforce systems. Two legislative
members are appointed by the Senate President Pro-Tem and two by the Speaker of the Assembly. A complete listing of State Board members and the category they represent is in chapter seven.

The State Board reports to the Governor through the chair of the State Board (appointed by the Governor) and the Secretary of Labor and Workforce Development who both provide oversight of the board and its staff to ensure that policy recommendations are consistent with the Governor’s vision for the state. The chair has the responsibility to call and preside at all State Board meetings and perform other duties as required. The vice-chair acts as chair in the chair’s absence and performs other duties as required.

State Board Committees
Since the State Board meets four times a year, members accomplish their work through active participation in a committee structure comprised of a standing executive committee, special committees, and ad hoc committees. Special committees are appointed by the State Board chair to carry out specified tasks; ad hoc committees are informal workgroups. With the current exception of the Green Collar Jobs Council, special committees and ad hoc committees may include members from stakeholder groups outside the State Board. The committees are:

- **Executive Committee**: The Executive Committee is a standing committee. It consists of a small number of State Board members evenly divided among business, labor, and government. It acts as a high-level strategic planning and jobs advisor to the Secretary of the LWDA and to the Governor. The Executive Committee provides the additional flexibility needed to meet more frequently, respond in a timely way to important issues, coordinate the work of special and ad hoc committees, and develop agendas and recommendations for State Board meetings.

  **WIOA Implementation Workgroup**: The State Board approved the creation of the WIOA Implementation Work Group in September 2014. Over the course of twenty-four months, this work group will ensure that California’s implementation of the new law reflects state strategies and aligns resources accordingly. The group’s work includes developing WIOA performance measures and multi-agency metrics, developing policy, catalyzing systems alignment and regional collaboration, and determining any needed governance changes.

  **Increasing Skills and Credential Attainment Work Group**: The State Board approved the creation of the Increasing Skills and Credential Attainment Work Group in September 2014. This work group will develop a framework for the
identification and prioritization of industry-valued credentials that benchmark skills and competencies for job-seekers and employers, supporting improved skill delivery and the regional calibration of labor market supply and demand. The Increasing Skills and Credential Attainment Work Group will support and catalyze experimentation, statewide workforce goals and large scale change.

**Health Workforce Development Council (HWDC):** The HWDC special committee was established in response to the federal Affordable Care Act to understand and respond to changing healthcare workforce requirements. The HWDC consists of a broad partnership of industry representatives, education, economic development, elected officials, the public workforce system, labor, philanthropic organizations, community-based organizations, health professional and advocacy organizations.

- **Green Collar Jobs Council:** The Green Collar Jobs Council (GCJC) is a permanent special committee enacted by the Green Collar Jobs Act of 2008 (UI Code Section 15002). Under the purview of the State Board, the GCJC is charged with developing and updating a "strategic initiative" framework to address emerging skills demands due to expanded use of renewable energy sources and energy efficiency to meet state policy goals.

- **Advanced Manufacturing Workforce Development Council:** The State Board established a special committee on advanced manufacturing to identify statewide education and training issues and opportunities in manufacturing; support regions in providing a skilled manufacturing labor force; identify national skills standards; and encourage regional industry sector partnerships.

**State Board and State Plan Development (102(b)(2)(A); 101(d)(1))**

Under the guidance of the Labor Secretary and the Labor and Workforce Development Agency, the State Board has played the role of convener, broker, matchmaker, and facilitator, pulling together state plan partners, including both core and noncore program partners, to develop the policy content of the plan in a manner that meets federal and state plan requirements.

Beginning in December of 2014, the State Board convened state partner agencies and stakeholders representing local workforce development boards, business, and labor, and began to meet publically on a bimonthly basis as the WIOA Implementation Committee Workgroup of the State Board. This group worked to guide the development of the vision, programmatic strategy, and shared goals for the State Plan.

Between bi-monthly WIOA Workgroup meetings, staff workgroups comprised of high level policy staff assigned by state partner agencies met together and with
stakeholders to help develop the content of the plan. Participants included staff from the State Board, CDE, CCCO, the EDD, DOR DSS, ETP, CWA, and designated representatives of Local Boards.

Following this series of meetings between staff workgroups, a series of high level "bilateral" meetings were initiated by the State Board to develop more specific input into the State Plan from the leadership of the various state planning partners, (the State Board, CDE, CCCO, EDD, DOR, DSS, ETP, and other stakeholders (CWDA and CWA).

During bilateral meetings, baseline information developed by staff workgroups was used to frame conversations, and identify what partners could and could not do at the state, regional, and local levels, to align and coordinate services across the programs participating in the planning process.

Following these bilateral conversations, multiple issue, operations, and program specific workgroups continued to develop content for the State Plan. These workgroups included the following:

- a Labor and Workforce Development Title I and Title III coordinating workgroup comprised of LWDA, EDD, and the State Board
- CDE-CCCO-State Board workgroup on Adult Education, Basic Skills, and Carl Perkins programs;
- a DOR-State Board workgroup on Vocational Rehabilitation services;
- a DSS-CWDA-CWDB-CCCCO workgroup on TANF programs;
- a multiagency and multi-departmental workgroup on Youth Services;
- a EDD-CWDB-DOR-DSS workgroup on AJCC (“The One-Stop Design Workgroup”);
- a EDD-State Board workgroup on labor market information; and
- the Data-Sharing and Performance Accountability workgroup.

These workgroups shared information about best practices and reviewed model partnerships utilized in other states and in various California local areas and regions to come to agreement on the policy content of the State Plan and how partners would work jointly to implement these policies at the state, regional, and local levels.

Over the course of this process the State Board worked to brief planning partners on the policy and operational requirements called for under both state and federal law as well as the federal regulatory requirements for implementation.
Staff Structure and Active Ongoing Policy Direction, Technical Assistance, and Capacity Building 102(b)(2)(A); 101(d)(2); 101(d)(3)(A-B)(F); 101(d)(3); 101(d)(5)(A-C); 101(d)(3); 101(d)(10)

As the Governor’s agent for “the development, oversight, and continuous improvement of California’s workforce investment system and the alignment of the education and workforce investment systems”, the State Board and its staff provide active ongoing policy analysis, technical assistance, and program evaluation to inform and shape state policy on workforce and educational program design and implementation.

The State Board reports to the Governor through the chair of the State Board and the Secretary of Labor and Workforce Development who both provide oversight of the board and its staff to ensure that policy recommendations are consistent with the Governor’s vision for the state.

The board’s operational structure has recently been reorganized to facilitate WIOA implementation and to build a comprehensive workforce and education system, aligning core and non-core program services across the various employment, training, workforce, educational, and human service programs whose mission it is to get Californians hired into good jobs. The State Board’s new operational structure is shown in the chart shown on page XXX.

Under the new structure, the State Board will operate as a “think and do” tank, reviewing programs and policies and helping develop implementation strategies that foster the plan’s policy objectives.

**Executive Director**

Strategy, operations, planning, and policy development are guided by the Executive Director who reports to both the chair of the State Board and the Secretary of Labor and Workforce Development. The Executive Director is also the face of and chief liaison for the organization in the board’s dealings with other state department heads and workforce system stakeholders, such as CWA, the Community College Taskforce on Workforce Development, SBE, the State Labor Federation, Industry Associations, and community-based associations.

**Chief Deputy Director**

The Chief Deputy Director is the State Board chief of staff and oversees the daily operations of State Board staff operating in three branches: the Policy, Legislation, and Research Branch; the Strategy, Innovation, and Regional Initiatives Branch, and the Administrative Branch. The deputy directors responsible for the operations in
these three branches supervise the work of the staff in these units, and each reports to the Chief Deputy Director.

**The Administrative Branch**

The Administration Branch is responsible for all of the administrative operations of the State Board, ensuring compliance on all federal WIOA reporting and state reporting and fiscal requirements, State Board budget development and oversight, administrative matters pertaining to hiring and termination, procurement of goods and services, grant administrative matters, and program logistics. Specific responsibilities include the following:

- **fiscal operations and budget:**
  - preparation of October and April budget revision
  - maintenance of the State Board’s “above the line” WIOA and Proposition 39 budget authority and total dollars allocated
  - tracking of all State Board grant and initiative funds
  - provides a detailed monthly encumbrance and expenditure report to accurately project expenditures

- contracts and procurement
- human resources
- State Board staff development
- State Board committee member support
- solicitation of federal and state funding opportunities
- drafting of annual reports, publications and audit responses
- maintenance of the State Board’s IT hardware and software equipment, email systems, telecommunications equipment, network printers and copiers and website
- handling the logistical needs of the State Board and all of its committees and workgroups

**The Policy, Legislation, and Research Branch**

The Policy, Legislation, and Research Branch is responsible for doing policy and program review for the State Board in order to build a comprehensive state system and foster its continuous improvement. This function is achieved primarily through the development of policy recommendations and the identification and dissemination of information concerning best practices pertaining, but not limited to, the following areas:
• General policy development to further system alignment of workforce, job services, training, and education programs.
• Research and policy development toward the delivery of effective One-Stop services, including policies facilitating One-Stop access for those with barriers to employment.
• Research on policies concerning effective sector engagement.
• Research on the building of career pathways tailored to client population needs, including research on how successful partnerships braid funds to facilitate movement through a career pathway that straddles multiple programs or service delivery structures.
• Examination of effective regional organizing efforts so as to identify the key elements of successful regional partnerships.
• Providing policy information to system partners to aid staff development.
• Providing policy information on successful practices to facilitate the building of local board capacity.
• Evidence-based research and policy development on the use of effective training programs responsive to labor market needs.

The Policy, Legislation, and Research Branch unit played a lead role in convening state plan partners, informing these partners on the legislative requirements of WIOA, sharing policy research on evidence-based practices, and facilitating agreement on the policy content of the State Plan by staffing the multiple workgroups engaged in the planning process.

As the State Plan moves into implementation, this unit will continue to work with state plan partners and stakeholders to design and issue regional and local planning guidance as well as joint policy directives to ensure that core and non-core programs are operating in a manner that carries forward the objectives of the plan.

Planning guidance and policy directives will serve as written technical assistance and will provide the policy rationale and supporting data and evidence for the best practices and model partnerships needed to implement the seven strategies discussed in the previous chapter.

Planning guidance and technical assistance will also contribute to the professional development of staff throughout the comprehensive workforce system and will help build the capacity of Local Boards by providing information on how implementation helps achieve the objectives of the State Plan.

The Strategy, Innovation, and Regional Initiatives Branch
The State Board’s Strategy, Innovation, and Regional Initiatives Branch is charged with developing the strategic vision underlying regional economic and workforce development and guiding innovation in related policy and practice to advance the State’s broad labor market goals of shared prosperity and income mobility. In providing technical assistance to key partners in the state’s various regions, this branch works to foster the continuous improvement and implementation of best practices for those elements of the system pertaining, but not limited to, the following:

- System alignment through regional partnership.
- Sector engagement in regional labor markets.
- Using regional coalitions and partnerships (including sector partnerships) to inform and advance the development of career pathways so as to ensure the use of effective training programs responsive to labor market needs.
- Accelerating skills and credential attainment aligned with regional labor markets.
- Facilitating access to job training, education and workforce services for populations with barriers to employment.

The Strategy, Innovation, and Regional Initiatives Branch oversees high profile sector initiatives and workforce grant programs funded either by WIOA or through alternative sources of funding such as federal grants or relevant state grants. The key work of this branch is to align the broad objectives of its various grant-making initiatives with the State Plan’s policy agenda while encouraging innovation and experimentation in the field. This unit also staffs the State Board’s committee on credential attainment and will be working to help ensure that workforce programs operated around the state are making use of industry-recognized degree and credential programs. Strategy, Innovation, and Regional Initiatives operates two particularly important WIOA-funded grant programs: Project Slingshot, and the Workforce Accelerator Fund.

Project SlingShot

The SlingShot grant program seeks to seed collaborative efforts by employers and industry, government, workforce and economic development, and education stakeholders within a region to identify and then work to solve employment challenges that slow California’s economic engine. Grants are designed to foster the development of regional solutions to regionally-defined workforce and employment problems. The guiding premises of the SlingShot program are as follows:

- Policy impacts on major jobs and employment issues will be greatest if solutions are formulated at the regional level. California is a collection of distinct
regional economies; aligning work at the regional level will be more effective than will city, county, district, or state level efforts.

- Income mobility in California is a major policy issue in the state. Policies must accelerate education, employment, and economic development for those Californians in danger of being left out of the state’s prosperity.
- Policy and programming should aim at addressing big issues. California’s regions face no shortage of vexing workforce challenges. Slingshot grants offer opportunities to take on tough issues that if solved, would meaningfully move the needle on employment.
- Policy should be evidence-based and data-driven. All strategies need to be grounded in effective use of data and metrics.
- Big problems require risk-taking. In an era of perpetual economic volatility, traditional programs don’t solve tough workforce challenges. Slingshot encourages regional partnerships to prototype new ideas, based on strong research and development, without fear of “failure” if the effort falls short of expectations. For every impactful practice that emerges, there will be others that are tried and then dropped for lack of sufficient impact.

**Workforce Accelerator Fund Grants**

California’s State Plan prioritizes regional coordination among key partners, sector-based employment strategies, skill attainment through “earn and learn” and other effective training models, and development of career pathways to provide for opportunities for individuals with barriers to employment to successfully participate in the labor force. Consistent with these state plan priorities, the State Board developed, and the Governor approved, the Workforce Accelerator Fund (Accelerator Fund) grant program to build workforce system infrastructure and capacity in the following ways:

- Collaboration among partners in the development of service delivery strategies and alignment of resources to connect disadvantaged and disconnected job seekers to employment.
- Innovation that creates new or adapts existing approaches or accelerates application of promising practices in workforce development and skill attainment.
- System change that uses these sub-grants to incentivize adoption of proven strategies and innovations that are sustained beyond the grant period.

The Accelerator Fund represents a new model of funding innovation and alignment in the workforce system, with the goal of funding “ground up” solutions to some of the most vexing challenges that are keeping Californians with barriers to employment
from achieving success in jobs and careers. The solutions achieved through this Accelerator Fund can be used by regions grappling with similar challenges, and will be shared with the regional coalitions and other stakeholders to create lasting change and improvements in the workforce system.

The target populations being served by the Accelerator Fund are:

- **Long-Term Unemployed** – An unprecedented number of California workers have been out of work for more than six months and are struggling to find new jobs.
- **Returning Veterans** – Too many veterans, after performing essential services with great skill, are challenged in finding civilian jobs that capitalize on the skills they’ve built.
- **Persons with Disabilities** – The labor force participation rate for Californians with disabilities is only 19 percent - lower than it was before passage of the Americans with Disabilities Act.
- **Low-Income Workers** – Thousands of Californians are trapped in poverty, often cycling through low wage, dead-end jobs and lacking the education, skills, and supports, needed to move into sustained, higher wage jobs.
- **Disconnected Youth** – Many young people 16-24 are disconnected, neither in school nor work, and are in danger of being left behind.
- **Ex-Offenders** – Realignment has increased the visibility of the need for robust job services for the parole and ex-offender population in California.
- **Non-Custodial Parents** - Parents participating in family reunification programs are faced with the challenge of participating in parenting programs while seeking education and training resulting in jobs that pay self-sufficiency wages.

Work currently being done under the SlingShot and Accelerator Fund grants provides for regional organizing and policy innovation efforts that the State Board envisions continuing under WIOA regional planning efforts.

**Regional Plans and “Regional Sector Pathways”**

Regional plans and partnerships required by WIOA will function under this State Plan as the primary mechanism for aligning educational and training provider services with regional industry sector needs. The Policy, Research, and Legislation Branch of the State Board will work with state plan partners and Local Boards to develop regional planning guidance consistent with the policy objectives and strategies of the State Plan. The Strategy, Innovation, and Regional Initiatives Branch will provide technical
assistance to ensure that regional planning efforts and related programs complement the State’s broader regional economic and workforce development strategy.

**The Role of the State Board and Performance Accountability (101)(d)(4)**

Working with core partners, and strategic plan partners when applicable, the State Board plans to use a statistical adjustment model semi-annually to develop performance accountability measures that effectively serve Californians, especially Californians with barriers to employment.

Through the use of baseline data and the semi-annual statistic adjustment model, the state plans to update performance accountability measures to assess the effectiveness of serving those with barriers to employment, as well as WIOA and state level policy objectives and the level of services coordinated and identified in the strategic plan.

The State Board will convene core program partners and those strategic partners with whom performance outcomes are aligned to discuss, where appropriate, how the state will negotiate goals with federal agencies and local areas.

In consultation with strategic partners and local areas, the State Board will emphasize the skills attainment measure across programs because greater skill attainment leads to higher median earnings, greater percentages of employed participants, and helps the state reach the goal of one million industry recognized credentials over the next ten years.

To help facilitate reliable and valid data for the assessment of programs and ability to serve individuals with barriers, the State Board will work with core program partners to identify strategies for robust data collection in all federally mandated reports, as well as additional measures identified by the state.

**The Role of the State Board in One-Stop Design 101(d)(6)(A-C); 101(d)(5)(A); 101(d)(7)(A-D);101(d)(8)**

Under the State Plan, the purpose of local workforce plans and partnerships is to facilitate access to workforce services at the local level.

Local workforce development plans will ensure a baseline level of WIOA core program alignment compliant with federal regulations at the local level, in and through the AJCCs, so that program services are coordinated, and when appropriate, integrated to make accessible a menu of customizable services available to clients on the basis of client needs. In this respect, AJCC services will be customer-centered.
Under this State Plan and all relevant policies issued by the state concerning One-Stop design, operations, and partnerships, locals will be directed to operate AJCCs as an access point for programs that provide for “demand-driven skills attainment”. From this perspective, One-Stops will be an “on ramp” or “gateway” to the “regional sector pathways” programs either built-out or identified through the regional planning process described earlier, allowing those service recipients who want to “upskill” an opportunity to do so.

AJCCs will continue to provide the full menu of One-Stop services, known under WIOA as “career services”, they have historically provided, and AJCCs will continue to function as labor exchanges, matching job seekers with employers, but there will be much greater emphasis on One-Stops as an access point for education and training services for those who want and need it, especially for those with barriers to employment.

Consistent with this vision, in June of 2015, the State Board and EDD partnered to create and staff the One-Stop Design workgroup, which brought together state plan partners and other stakeholders to develop a blueprint for service delivery in the state’s AJCCs. Participants in this workgroup included the following:

- Local Workforce Development Boards
- AJCC operators
- California Employment Development Department
- Employment Training Panel
- California Welfare Directors Association
- County Welfare Departments
- California Community Colleges Chancellor’s Office
- Local Community Colleges
- California Workforce Association
- La Cooperativa (representing Migrant/Seasonal Farm Worker programs).
- California Department of Rehabilitation

To organize the work and ensure compliance with WIOA the workgroup divided itself into the following subcommittees:

1. **Bricks/Comprehensive Services Sub-committee**: The priorities of this subcommittee included the following:
   - defining comprehensive and affiliate AJCCs
   - identifying career and training services that will be provided on-site, through cross-training of partner staff, or through direct technology,
• identifying the characteristics of a high quality One-Stop Center
• supporting efforts for program alignment across core programs and with all mandatory partners
• developing MOUs, cost-sharing agreements and premise/infrastructure arrangements,
• ensuring access to individuals with barriers to employment, including individuals with disabilities
• developing recommendations on criteria and procedures for use by Local Boards in assessing the effectiveness and continuous improvement of One-Stop centers

2. **Clicks/Virtual Services Subcommittee:*** The priorities of this subcommittee included the following:
• Identifying virtual basic career service software and applications that replace the need to go to a physical AJCC.
• Defining “direct technological access” to partner services in a comprehensive center.
• Identifying and beta-testing on-line digital literacy and skill development systems and recommending preferred models for statewide use to accelerate the acquisition of skills and attainment of recognized postsecondary credentials
• Ensuring that technology is accessible to individuals with barriers to employment, individuals with disabilities, and individuals living in remote areas.

3. **Skills Subcommittee:*** The priorities of this subcommittee included the following:
• Enhanced partnerships with education and training partners, especially community colleges.
• Increased access to career pathways through AJCCs for high demand sectors with the goal of increased attainment of industry recognized credentials/degrees.
• Strengthened professional development of workforce professionals employed in One-Stops.
• Increased capacity for Local Boards, including cross-training, credentials, and apprenticeship for frontline workforce professionals.
• Training staff on approaches to “customer-centered design”.
• Collecting and disseminating information on promising partnerships with training and education partners, including all core partner programs.
• collecting and disseminating information on promising work-based “earn and learn” partnerships, including apprenticeship, OJT, and subsidized employment

4. **Communication Subcommittee:** The priorities of this subcommittee included the following:
   • Creating a marketing/communication team of WIOA core partners at the State level: (EDD, DOR, DSS, CCCO, Adult Ed, the State Board, CWA, DOA, HCD, National programs).
   • Identifying a single point of contact for each Local Board to facilitate regular interaction/communication between the state partner programs, including all core programs, and local stakeholders.
   • Establishing a protocol and communication policy for all core partners and committing to talking regularly as a system.
   • Utilizing social media and virtual communication tools.
   • Developing a branding policy for the AJCC.

Through the efforts of the One-Stop Design Workgroup and the WIOA Implementation Committee Workgroups, the State Board has entered into agreements with mandated and voluntary partners and stakeholders to ensure implementation of an integrated, job driven service delivery system that provides job seekers (specifically individuals with barriers to employment) with the skills and credentials necessary to secure and advance in career pathways, and enable employers to identify and hire skilled workers and grow their businesses.

Policies issued by the State Board and EDD pertaining to One-Stop certification, as well as local and regional planning guidance will reflect the policy content developed by this and other workgroups to assure consistency with the intent of both state and federal law.

**The Role of the State Board and Labor Market Information 101(d)(11)**

The State Board works in partnership with EDD’s LMID in the development of labor market data products that are useful for Local Boards and their partners as they engage in regional planning efforts.

The State Board regularly attends LMID advisory committee meetings to stay informed of economic and labor market trends and discuss how those trends may affect the workforce and education system’s policy objectives.

For the purposes of local and regional strategic planning in WIOA, the State Board will work with LMID to provide guidance to Local Boards on the importance of using
reliable data sources and effectively utilizing LMID’s products and services. The State Board recognizes Local Board’s need to access multiple sources of information, especially information pertaining to targeting investments in emerging industry sectors within their regional labor markets. While the State Board will continue to support the use of various information sources for strategic planning, emphasis is placed on data-driven, actionable labor market information that is reliable, objective, accurate, and is developed using sound methodologies, such as those developed by the Department of Labor’s Bureau of Labor Statistics.

The Role of the State Board and Formula Allocation (101)(d)(9)

The State Board depends on its partner, EDD’s LMID, to develop allocation formulas for the distribution of funds for employment and training activities to local areas. Detail on these formula allocations is provided in the chapter on State Operating Systems and Policies.
Chapter 5: Implementing The Seven Policy Strategies: Organizational Roles, and Operational Alignment Under the Plan (corresponding to the Operational Planning Elements of the State Plan, and the Operating Systems and Policies required under WIOA Sec. 102 (b)(1)(C) and b(2)(B)

This chapter describes the roles and functions of the State Plan partners, including core program partners, in carrying out six of the seven policy strategies of the State Plan detailed in chapter 3. The seven State Plan strategies are as follows:

- sector strategies: aligning workforce and education programs with sector needs
- career pathways: enabling progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skills development increases the likelihood of success in the labor market
- regional partnerships: building partnerships between industry leaders, workforce professionals, education and training providers, and economic development leaders to support regional economic growth
- “earn and learn”—using training and education practices that combine applied learning opportunities with compensation
- supportive services: providing ancillary services like childcare, transportation, and counseling to facilitate program completion
- integrated service delivery: braiding resources and services to meet client needs
- creating cross-system data capacity, including diagnostic labor market data to assess where to invest, and performance data to assess the value of investments

Under this plan, these seven strategies will be carried out at both the regional and local level with some of the strategies being primarily regional in orientation, with others primarily being local in orientation. Building on the work of the SlingShot initiatives discussed in chapter 4, regional plans and partnerships will focus on engaging employers and building regional workforce and education “pipelines” that align with regional industry sector needs. As such, the use of sector strategies, the identification of relevant career pathways, and the carrying out of regional organizing efforts will be addressed primarily through WIOA regional plans required under Section 106 of WIOA.

Local partnerships and plans will be focused primarily on providing services to individuals and “feeding” the regional pipeline using AJCCs as an access point or “on
ramp” for skills attainment for individuals who need to up-skill, especially those populations with barriers to employment. As a consequence, partnerships to integrate service delivery, braid resources, and provide supportive services will necessarily develop at the local level on the basis of local plans and partnerships and especially through the alignment, integration, and coordination of services under MOUs to operate local One-Stops as part of the AJCC system.

The remaining policy strategies “earn and learn” and “creating cross system data capacity” will be employed at both the local and regional levels, as warranted, depending on the types of regional and local partnerships that form to meet employer and individual worker and student needs. For example, coordination between the subsidized employment programs operated under CalWORKs, with other programs like WIOA Title I Adult and Out of School Youth programs, as well as WIOA Title II programs pertaining to basic skills remediation, will typically happen at the local level because County Welfare programs are not organized regionally.

The following sections of this chapter discuss and explain how six of the seven policy strategies identified above work together as a comprehensive policy package. For the most part, a description and analysis of the policy strategy regarding cross-system data capacity is left for subsequent chapters dealing with operating systems and policies. The sections that immediately follow describe the following operational elements required of WIOA Unified Plans:

- how core program partners will fund activities to carry out the strategies
- how core program activities will be aligned with other non-core program partners to assure coordination and non-duplication of effort
- how programs will coordinate and align services for individuals
- how services will be coordinated and aligned for employers
- how educational institutions will be systematically engaged
- how resources will be leveraged to increase educational access
- how the seven strategy policy package improves access to postsecondary education
- how activities will be coordinated with economic development efforts

Regional Plans and “Regional Sector Pathways”: The Pivot of the State Plan

WIOA Section 106 includes the requirement that the Governor both identify and organize Local Boards into regional planning units (RPUs). The purpose of RPUs is to provide for the regional coordination and alignment of workforce development activities by Local Boards working in the same economic region. WIOA envisions that
Local Boards organized in RPUs will engage in joint planning, coordinate service delivery, share administrative costs, and enter into regional coordination efforts with economic development agencies operating in the same region. WIOA also directs Local Boards to engage in the joint development and implementation of regional sector initiatives so as to align workforce services and investments with regional industry sector needs.

Under this State Plan, a primary objective and requirement of WIOA regional plans will be to work with community colleges and other training and education providers, including the state’s seventy regional Adult Education Block Grant consortia to build “Regional Sector Pathway” programs, career pathway programs that result in the attainment of industry-valued and recognized postsecondary credentials that are both portable and aligned with regional workforce needs.

The State Board, working alongside other state agencies such as CCCO, CDE, EDD, and Go-Biz will provide technical assistance to local service and education providers participating in regional partnerships. Under this State Plan, the key regional partners involved with the development and implementation of WIOA regional plans will include the following:

- Industry sector leaders, associations, and business organizations
- Regionally organized Local Boards (RPUs)
- Local economic development agencies
- Regional consortia of community colleges
- Regional consortia of adult basic education providers (including both WIOA Title 2 and other state-funded basic education programs)
- Representatives of K-14 CTE programs funded by either federal Perkins funds or various state-specific CTE funding streams, when relevant county offices of education and other local educational agencies determine that participation will benefit students participating in CTE programs

Additional regional partners may also include ETP; the DOR; and County Welfare Agencies. These entities may wish to participate in regional plans and the regional planning process to leverage the employer engagement efforts required and made central to regional planning.

The State Board will encourage and recommend broad and inclusive partnerships through the regional planning guidance it issues in 2016, but will grant considerable flexibility for Local Boards and their partners to determine the nature, scope, and depth of these partnerships based on local and regional needs.
WIOA Regional Planning Units Identified

Consistent with WIOA Section 106, the Governor, through the State Board, has identified fourteen RPUs in California. A detailed analysis of the policy, process, and methodology used to determine RPU boundaries is detailed in Appendix A. In general, boundaries were developed to tie RPUs, as much as possible, to regional labor markets while simultaneously taking into consideration regional designations of other federal and state funded programs (i.e. regional community college consortia). Care was also taken to respect existing Local Boards’ political jurisdictions and extant planning relationships.

WIOA RPUS include the following:

1. **Coastal Region** (4 boards): Monterey, San Luis Obispo, Santa Barbara, Santa Cruz

   Counties Included (4): Monterey, Santa Cruz, Santa Barbara, San Luis Obispo

   Major City Populations in Region: Salinas, Santa Maria, Santa Barbara, Monterey, San Luis Obispo, Santa Cruz

2. **Middle Sierra** (1 board): Mother Lode

   Counties Included (4): Amador, Calaveras, Mariposa, Tuolumne

   Major City Populations in Region: Sonora, Angels Camp

3. **Humboldt** (1 Board): Humboldt

   Counties Included (1): Humboldt

   Major City Populations in Region: Eureka

4. **North State** (1 board): NORTEC

   Counties Included (11): Del Norte, Siskiyou, Modoc, Trinity, Shasta, Tehama, Butte, Nevada, Sierra, Plumas, Lassen

   Major City Populations in Region: Redding, Chico, Paradise, Oroville, Truckee, Susanville

5. **Capitol Region** (4 boards): Golden Sierra, North Central Counties, SETA, Yolo
Counties Included (9): Alpine, Sacramento, Yolo, Sutter, Colusa, Glenn, Yuba, Placer, El Dorado

Major City Populations in Region: Sacramento, Elk Grove, Roseville, Yuba City, Davis

6. **East Bay** (4 boards): Contra Costa County, Alameda, Richmond, Oakland

   Counties Included (2): Contra Costa, Alameda

   Major City Populations in Region: Oakland, Fremont, Concord, Berkeley, Richmond, Antioch

7. **North Bay** (5 boards): Marin, Napa-Lake, Sonoma, Solano, Mendocino

   Counties Included (6): Marin, Napa, Lake, Sonoma, Solano, and Mendocino

   Major City Populations in Region: Santa Rosa, Vallejo, Fairfield, San Rafael, Napa, Ukiah

8. **Bay-Peninsula** (5 boards): San Francisco, NOVA, San Mateo, San Jose, San Benito

   Counties Included (4): San Francisco, San Mateo, Santa Clara, San Benito

   Major City Populations in Region: San Jose, San Francisco, Sunnyvale, Santa Clara, Daly City, San Mateo, Palo Alto

9. **San Joaquin Valley and Associated Counties** (8 Boards): Fresno, Kern-Inyo-Mono, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare

   Counties Included (10): Fresno, Kern, Inyo, Mono, Kings, Madera, Merced, San Joaquin, Stanislaus, Tulare

   Major City Populations in Region: Fresno, Bakersfield, Stockton, Modesto, Visalia, Clovis, Merced

10. **Southern Border** (2 Boards): San Diego, Imperial

    Counties Included (2): San Diego, Imperial

    Major City Populations in Region: San Diego, Chula Vista, Oceanside, Escondido, Carlsbad, El Cajon
11. **Los Angeles Basin** (7 Boards): Los Angeles City, Los Angeles County, Foothill, Southeast Los Angeles County, South Bay, Verdugo, Pacific Gateway

Counties Included (1): Los Angeles

Major City Populations in Region: Los Angeles, Long Beach, Santa Clarita, Glendale, Lancaster, Palmdale, Pomona, Torrance, Pasadena, El Monte, Downey, Inglewood, West Covina, Norwalk, Burbank, Carson, Compton, Santa Monica,

12. **Orange** (3 Boards): Santa Ana, Orange, Anaheim

Counties Included (1): Orange

Major City Populations in Region: Anaheim, Santa Ana, Irvine, Huntington Beach, Garden Grove, Orange, Fullerton, Costa Mesa, Mission Viejo

13. **Inland Empire** (2 Boards): Riverside, San Bernardino County

Counties Included (2): Riverside, San Bernardino

Major City Populations in Region: Riverside, San Bernardino, Fontana, Moreno Valley, Rancho Cucamonga, Ontario, Corona, Victorville, Murrieta, Temecula, Rialto

14. **Ventura** (1 Board)

Counties Included (1): Ventura

Major City Populations in Region: Oxnard, Thousand Oaks, Simi Valley, San Buenaventura

These RPUs are identified on the map on the next page.

**The Roles and Functions of Core Partners Including Specific Activities That Will Be Undertaken to Implement “Regional Sector Pathways”**

The **State Board (Title I)** will develop regional planning guidance for, and provide technical assistance to, Local Boards on how to partner with industry, community colleges, and other training providers so as to effectively implement sector strategies, utilize career pathways, and partner at the regional level. This guidance will outline best practices and model partnerships using data-driven, evidence-based research, especially research directly relevant to successful sector partnership and career
pathway programs. This work will build on existing regional partnership efforts launched and funded under the state’s SlingShot initiative detailed in chapter 4.

The State Board will also review regional plans to ensure compliance with state guidance and WIOA requirements for regional plans, and will share regional plan content with state partners, including information pertaining to prioritized sectors and career pathways identified in the course of the regional planning process. The sharing of this information will facilitate, as appropriate, engagement with regional efforts by other State Plan partners such as DOR ETP, and CalWORKs.

Local Boards (Title I) working together regionally will work alongside CTE faculty and Deans from the community colleges, representatives from the CCCO’s WEDD program, representatives from K-12 CTE programs, state-funded Adult Education Block Grant consortia, and federally funded Title II providers to convene and engage employers, especially the representatives of leading and emergent industry sectors to do the following:

- assess industry workforce needs
- determine whether existing training and education programs in the region are producing what industry needs
• identify existing career pathway programs that meet leading and emergent industry sector needs
• recommend any necessary adjustments to facilitate the development and validation of career pathway programs to meet industry needs
• broker regional partnerships to move students and workers through relevant pathway programs that result in the attainment of industry recognized degrees or credentials, including individuals with barriers to employment

Local Boards may play the role of convener, broker, and matchmaker in regional efforts, bringing together the regional partners, but need not do so where other regional workforce and education champions step forward to play this role.

EDD’s Workforce Services Branch (Title 1), Central Office staff and regional advisors will also support regional planning efforts and the implementation of “Regional Sector Pathways“ by providing administrative support, including the use of compliance-based guidance, financial oversight, and when appropriate, grant support to Local Boards engaged in regional organizing efforts.

SBE, CDE, and CCCCO (Title II and State-Funded Adult Ed Programs) will work jointly with the State Board to facilitate articulation of regionally organized Adult Education Block Grant programs, and programs funded under WIOA Title II, with “Regional Sector Pathways” efforts so as to help those with basic skills deficiencies achieve sufficient skills to access and participate in “Regional Sector Pathways” programs.

Having effective and well-articulated AEPs is critical to achieving upward mobility for populations with barriers to employment. Per agreement between CDE, CCCCO, and the State Board, the state’s seventy Adult Education Block Grant Consortia, funded under AB 104 (Assembly Budget Committee, Chapter 13, Statutes of 2015) will be required to participate in WIOA regional planning efforts so as to facilitate the alignment of these programs with other regional workforce and education efforts. CDE and CCCCO will work jointly with the State Board to identify and recommend best practices and model partnerships to regional providers and partners to facilitate this alignment.

Additionally, the State Board CDE, CCCCO, DOR, and EDD have agreed to encourage the leveraging of local resources to align education, employment, training, and supportive services so as to provide opportunities for career exploration and guidance, and to support further educational attainment by making opportunities for skills training in in-demand industries and occupations available to youth who wish to enter a career pathway and/or enroll in post-secondary education.
EDD’s Labor Market Information Division (Title I&III) will provide regional labor market data to regionally organized Local Boards to inform efforts to identify and plan with leading and emergent industry sectors in each of the RPUs. Additionally, EDD’s Field Staff (Title I & III) will continue to provide labor exchange services, including access to and use of its CalJOBS virtual labor market to students and workers who finish “Regional Sector Pathways” programs and who then need to access job services through the AJCC system.

Department of Rehabilitation (Title IV) will work with the State Board and regionally organized Local Boards to identify opportunities to leverage collaborative employer outreach and engagement efforts that develop in the course of regional planning efforts. Where these opportunities exist, DOR will work with State Plan partners to market employer incentives and strategies for the hiring of individuals with disabilities, including better and more coordinated use of Federal procurement “503” hiring requirements. As part of this effort, DOR will partner with ETP to leverage incumbent worker training contracts to open doors for workers with disabilities as 30 percent of the state’s largest 100 federal contractors have utilized ETP contracts to train their incumbent workforce.

Additionally, based on information developed through the regional planning process and disseminated by the State Board and its local partners, DOR will use information pertaining to Regional Sector Pathway programs to inform its consumers about career pathways programs aligned with regional labor market needs so as to provide for informed customer choice in the development of Individual Plans for Employment (IPE).

DOR staff and their partners in the disability services community will work locally and regionally with Local Board staff as well as training and education providers, including community college partners, to increase enrollment opportunities for DOR consumers and referrals to AJCC of individuals with disabilities who are not served by DOR, taking into account the alignment of needs, preferences, and the capacities of the consumers being served. Efforts will need to be made to ensure physical, technological, and programmatic access to Regional Sector Pathway programs for the disabled. This is a shared responsibility of State Plan partners.
The Roles and Functions of Non-Core Partners, Including Activities That Will Be Undertaken to Implement the Program Strategy and Coordinate Efforts with Other Partners

Community colleges will play a significant role in the development and implementation of “Regional Sector Pathways” partnerships by serving as the primary provider of CTE for those seeking to enter the labor force following post-secondary education. California invests approximately $1.7 billion in CTE programs, and more than a quarter of all community college students are enrolled in CTE courses.

Under SB 1402 (T. Lieu, Chapter 361, Statutes 2012), the EWD program operated by the WEDD of the Chancellor’s Office is statutorily mandated to utilize sector strategies framework to incentivize and provide technical assistance to local CTE programs and other community college workforce programs to better align these programs with regional labor market dynamics. This alignment is typically accomplished through the DWM operational framework and a program organizational structure which brings local CTE faculty, WEDD staff, and EWD funded programs together to ensure that CTE curricula are informed by labor market data and regular ongoing engagement with industry sector leaders.

Under this State Plan, regionally organized Local Boards will be required to engage local community college programs and regional community college consortia operating under the DWM framework to identify which course offerings and career pathway programs are meeting the regional labor market needs of leading and emerging industry sectors. Local Boards will then provide this information to those in need of training and education, particularly those with barriers to employment, and provide the career services necessary to prepare them to successfully participate in and complete relevant community college career pathway programs.

WIOA Title I (State Board and Local Boards) will work to support the success of students enrolled in community college CTE programs prioritized under WIOA regional plans by providing resources to eligible participants to enroll in and complete relevant “Regional Sector Pathway” programs, for example, by providing, as warranted and allowed, supportive services to students enrolled in CTE Regional Sector Pathway programs.

The State Board will issue regional planning guidance that details best practices and model partnerships between the workforce system and the community college system, recommending that Local Boards meet their WIOA Section 106 requirements pertaining to coordinated service delivery strategies and shared administrative costs.
in ways that lay the foundation for a strong partnership with community college CTE programs. This can be done in a variety of ways, including the following:

- by building links between AJCCs and campuses, including but not limited to, pooling resources to place AJCC staff directly on campuses
- by braiding resources to fund job readiness training and provide supportive services for eligible students enrolled in and completing Regional Sector Pathway programs

The ETP will work with regionally organized Local Boards where the sector priorities of RPUs align with the programmatic direction of ETP, identifying opportunities to train incumbent workers in prioritized sectors using, when appropriate, multi-employer contracts to meet the needs of industry.

Training incumbent workers can create opportunities for populations with barriers to employment by opening up entry level and other positions where and when incumbent workers advance into new positions as a result of the training programs funded by ETP.

As noted above, ETP will also partner with DOR to leverage ETP’s incumbent worker training contracts and contacts in the federal contractor community to improve coordination around federal 503 contacting rules.

**GO-Biz and Local Economic Development Agencies** will partner in regional planning efforts by providing information to Local Boards about regional economic development initiatives and investment priorities.

Section 106 of WIOA explicitly requires Local Boards to coordinate with regional economic development entities so as to ensure the alignment of regional workforce development and economic development initiatives. To facilitate partnership at the regional level, Go-Biz will work with the State Board to identify the local Economic Development Corporations (EDCs), iHubs, and SBDCs operating in the state’s fourteen RPUs. These entities have unique knowledge about the state’s emerging economic sectors as well as an understanding of how state incentive programs are encouraging the growth of these sectors. Regional workforce development decisions should be made with this unique knowledge in mind. Go-Biz, in conjunction with its local and regional partners (EDCs, iHubs, SBDCs), will provide, as available, emerging market data needed to inform Local Boards of emerging sectors that may not be captured by other data sources.
TANF, CDSS, CWDA, and CCCCO-Student Support Services will work together to move TANF recipients into and through career pathway programs.

During the state planning process, CDSS and the CWDA determined that County Welfare Departments, in most instances, would benefit more from partnering at the local level rather than at the regional level. However, local partnerships with Local Boards will interface with “Regional Sector Pathways” initiatives by ensuring that TANF recipients have access to pathway programs through the AJCCs when County Welfare Directors elect to develop pathways partnerships with Local Boards. Moreover, the Supportive Services Division of the Chancellor’s Office has agreed to partner with CDSS and the State Board, as well as regionally organized Local Boards to help move TANF recipients into and through “Regional Sector Pathway” programs where County Welfare Directors partner with Local Boards to build career pathway partnerships specifically geared towards populations receiving services under TANF.

The nature of career pathways partnerships, partner responsibilities, and the specific manner in which partners will braid resources and coordinate service delivery will be determined locally, and possibly regionally, depending on agreements between human services agencies, Local Boards, community colleges, and any adult education providers who are involved with local agreements pertaining to career pathways.

Partnership agreements in those jurisdictions with coordinated TANF career pathway programs will specify in the MOU for One-Stop services which services are provided by which entities, which partners funds those services, and how service provision is coordinated so as to facilitate seamless entry, exit, and movement along the career pathway. For example, partners will need to specify in MOUs how they will coordinate assessment, the provision of supportive services (payment of childcare, transportation services, and books and equipment costs), barrier-removal services, the payment of tuition/and or training costs, the provision of job readiness training, subsidized employment placement and job placement activities.

The role of the State Board, CDSS, and the CWDA is to provide support for and technical assistance to local, and where appropriate, regional partnerships entered into to facilitate the development of sector based career pathways programs specifically geared toward TANF recipients. State plan partners will help facilitate the initiation and implementation of career pathways programs geared toward TANF recipients by providing information to locals on best practices and model partnerships using both policy research from other states and information learned from the field in California.
K-12 CTE Programs and Carl Perkins K-14 Programs

CDE and CCCCO have agreed to develop policy guidance that will help align and coordinate programming for Carl Perkins Vocational Education Act grants awarded through the K-12 and community college systems. Similarly, CDE will work with the community colleges to bridge high school and college and career programs integrating academic and occupational skill attainment and combining classroom instruction with work-based learning, with WIOA Services funded under Title I, so as to prepare high school students for postsecondary opportunities to enter “Regional Sector Pathway” programs. The nature of partnerships, partner responsibilities, and the specific manner in which partners will braid resources and coordinate service delivery to achieve these objectives will be determined regionally and locally by adult education consortiums, school districts and community colleges partnering with Local Boards.

Local Workforce Plans and American Job Centers of California

Under the State Plan, the primary purpose of local workforce plans and partnerships is to facilitate access to workforce services at the local level. While WIOA Section 106 regional plans and partnerships will be focused on constructing a regional architecture that aligns with regional labor markets, individuals will access and experience this regional workforce architecture through local service delivery structures, principally through the AJCC system. In this regard, it is at the local level that services will be integrated, resources will be braided and supportive services will be provided. The use of “earn and learn” training models, especially with regard to the use of pre-apprenticeship and apprenticeship, subsidized employment, and on-the-job training efforts will also occur principally at the local level, as Local Boards are required, under California state law, to spend 30 percent of their budgets on the provision of training services.

The Roles and Functions of Core Partners Including Specific Activities That Will Be Undertaken to Implement State Plan Strategies Pertaining to Integrated Services, Braided Resources, and “Earn and Learn”

The State Board (Title I) will promote integrated service delivery, the braiding of resources, the provision of supportive services, and the promotion of “earn and learn” training models through policy directives outlining the responsibilities of Local Boards and their local partners. Working with its state plan partners, such as EDD-WSB, the State Board will promote the building of local partnerships to carry out these policy strategies and will provide technical assistance to Local Boards and their local
partners to see that relevant policies are implemented. Work by the State Board in this area includes the following:

- The State Board has partnered with EDD to create and staff the One-Stop Design workgroup, which brought together State Plan partners and other stakeholders to develop a blueprint for service delivery in the state’s AJCCs. Work by this group will inform state policy on integrated service delivery and the braiding of resources at AJCCs, including policy on operations, required partnership, and the articulation of AJCC services with Regional Sector Pathway programs. (More detail on this is provided in chapter 4).

- As part of the state planning process, the State Board has entered into state level agreements with CDE (Title II Administrator), EDD (Title I Administrator and Title III Administrator and Program Operator), DOR (Title IV Administrator and Program operator), and both CDSS and CWDA (representatives of both state and local TANF agencies) to ensure coordination at the state level so as to ensure compliance with federal requirements pertaining to One-Stop mandatory partnership of TANF programs.

- The State Board will meet with state level representatives of all other mandated AJCC partners to inform them of their statutory and regulatory responsibilities to participate in the AJCC system and, working with EDD, will issue One-Stop policies to secure representation from all mandatory partners in all comprehensive One-Stops.

- The State Board has entered into an agreement with CDE to support and encourage the integration of work-based learning activities in all locally funded WIOA youth programs to involve interactions with industry professionals and include career awareness, career exploration, internships and career pathways training activities.

- Additionally, the State Board has entered into an agreement with DSS, the CWDA, and the Chancellor’s Office of Supportive Services to encourage and promote local partnerships that articulate subsidized employment programs operated by County Welfare Departments with career pathways programs, including “Regional Sector Pathway” programs identified and developed in WIOA regional plans. Where robust partnerships develop, these pathway programs should be designed to service TANF recipients, taking care to meet the particular client needs of those being served.

- The State Board has entered a similar agreement with DOR to promote access to competitive integrated employment at the local level so as to ensure quality jobs for persons with intellectual and developmental disabilities.
• Working with EDD, the State Board has already issued policies pertaining to Eligible Training Providers and the use of alternative training models, including OJT, to encourage the use of “earn and learn” approaches to training by local boards.

• Working with partner state agencies, such as DOR and DSS, the State Board will issue joint communications, policy directives, and local planning guidance designed to not only secure an adequate level of partnership in the One-Stops, but also to adopt best practices and model partnerships at the local level that emphasize skills attainment for individuals with barriers to employment. A central feature of these partnerships will be the braiding of resources to ensure access to a comprehensive menu of services tailored to the individuals needs and provided by program partners on the basis of program core competencies.

Under this State Plan, local planning guidance provided by the State Board to Local Boards will designate One-Stops as an access point for programs that provide “demand-driven skills attainment”, so that One-Stops serve as an “on ramp” or “gateway” to the “Regional Sector Pathways” programs either built-out or identified through the regional planning process carried out by WIOA RPUs.

Local Boards (Title I) are tasked under WIOA Section 121 with developing and entering an MOU with all required One-Stop mandatory partners, certifying One-Stop operators, and conducting oversight of the One-Stop system in the local area. To the extent that Local Boards fulfill these obligations, they will necessarily involve themselves with system alignment efforts and the implementation of state plan program strategies pertaining to service integration, resource braiding, and the provision of supportive services.

Following State Board policy and the policy direction of this State Plan, Local Boards will be responsible for ensuring that AJCC MOUs require a baseline level of WIOA core program and mandatory One-Stop partner participation in the AJCCs that meets federal requirements such that program services are coordinated, and when appropriate, integrated in ways that make customizable services available to clients on the basis of their particular individual needs.

Local Boards will be expected to employ best practices and build model partnerships that go beyond One-Stop partnerships and cost-sharing efforts by developing coordinated service delivery strategies that extend beyond the walls of the AJCC. The State Board will issue local and regional planning guidance to facilitate the adoption of best practices and the building of model partnerships that, depending on local plans and priorities, may also include any or all of the following practices:
• coordinated assessment activities among core programs and other State Plan partners to match client services with client needs while reducing duplication of effort
• the development of local agreements on the funding of supportive services for individuals with barriers to employment (depending upon program eligibility) so as to help eligible individuals complete training and education programs, especially “Regional Sector Pathways” programs and “earn and learn” programs aligned to local and regional labor market needs
• the development of local agreements to recruit and serve out-of-school youth with barriers to employment in “Regional Sector Pathways” and "earn and learn" programs that increase the likelihood of placement in middle skills jobs in demand occupations.
• coordinated funding of job readiness training, job placement, and labor exchange services to reduce duplication of effort by programs that provide similar services
• placement of AJCC staff directly on community college campuses to strengthen the partnership between community colleges and Local Boards so as to facilitate coordination of job readiness training, job placement, and labor exchange services that benefit students completing CTE coursework

Consistent with WIOA Section 107, Local Boards will also provide business services to engage employers at the local level. In this respect Local Boards will be well positioned to help facilitate “earn and learn” partnerships, designed to get individuals with barriers to employment into gainful employment by providing them with labor market relevant skills, work experience and income. This will happen in various ways including the following:

• through partnerships with County Welfare Departments that are designed to coordinate and articulate subsidized employment programs with “Regional Sector Pathway” efforts
• by working with DOR staff to help place individuals with intellectual and developmental disabilities into competitive integrated employment
• by working with ETP to leverage state incumbent work training programs that lead to promotion of incumbent workers and the consequent opening-up of entry level positions

**EDD-Workforce Services BranchField Staff (Title III)** funded under the WPA are integrated into service delivery at the local level through their participation in AJCCs
where they provide job search and placement assistance, conduct job search workshops, and provide access to job listings and information pertaining to labor markets. Much of the work conducted by EDD-WSB field staff involves maintaining and facilitating registration in CalJOBS, the state’s virtual labor exchange and online resource to help job seekers and employers search for jobs, build résumés, access career resources, and to find each other. WSB field staff also help to coordinate Trade Adjustment Assistance and veterans’ programs locally in the AJCCs and to provide EDD representation on Local Boards.

**EDD-WSB Central Office Staff (Title I)** enable local integrated service delivery by providing administrative guidance to Local Boards, their partners and field staff working on WIOA Title I and Title III programs. EDD-WSB central office staff also maintain overall program and financial accountability for relevant Title I and Title III programs operating at the local level, and prepare and submit financial and performance reports for WIOA Title I and III programs to DOL. Ensuring compliant and adequate integrated service delivery at the local level would not be possible without the work of this program.

**EDD-LMID** provides support for integrated service delivery through the AJCCs by developing the labor market data that is made available to AJCC customers on CalJobs.

**SBE, CDE, and CCCCO (Title II Administrators and Operators)** have agreed to work together to ensure that AEPs coordinate with other workforce and education programs so as to move individuals with barriers to employment into the labor force. To this end, SBE, CDE, and CCCCO have agreed to foster better articulation between AEPs and the larger workforce and education system in the following ways:

- SBE, CDE, CCCCO, and the State Board will jointly communicate baseline federal rules for Title II mandatory partnership at One-Stops to Title II providers and Local Boards through policy directives or other appropriate forms of communication distributed by CDE, CCCCO, and the State Board. Such communication shall require, at a minimum, that local partnerships ensure access to Title II programs through the AJCCs by means of co-location, cross-training, or direct access through real-time technology.

- State Plan partners SBE, CDE, CCCCO, and the State Board will work jointly to assess the level of partnership and current compliance with regulatory requirements pertaining to mandatory One-Stop partnership. This information will be used to ensure that Title II providers and Local Boards are on a path to compliance with federal rules requiring mandatory participation in AJCCs by all core programs.
• SBE and CDE agree that the award process for State Title II grants and any Request for Applications (RFAs) or Request for Proposals (RFPs) issued to prospective grantees will require that applicants comply with federal rules pertaining to mandatory One-Stop partnership, including those associated with co-location, cross-training, and virtual access.

• Consistent with WIOA Section 107(d)(11)(B), CDE agrees that the award process for Title II grants will make awards contingent on applicants providing their applications to Local Boards for written comment on the consistency of the application with relevant Local Board WIOA Local Plans. The State Board agrees that Local Boards will be required to make Local Plans available to Title II grant applicants. CDE agrees that state-issued RFAs or RFPs will require that Title II applicants demonstrate familiarity and program and services alignment with WIOA Local Board plans.

Additionally, SBE, CDE, CCCCO, and the State Board will work jointly to identify and recommend best practices and model partnerships that encourage program alignment, coordination, integration of services, and braiding of resources beyond the minimum levels required as part of mandatory One-Stop partnership. To this end, the State Board will issue local and regional planning guidance, supported, when appropriate, by policy directives or other appropriate means of communication issued by SBE, CDE, and CCCCO to foster better program alignment between basic education and basic skills programs and other workforce and education programs and services. Recommended relevant best practices may include but are not limited to the following:

• aligning basic skills coursework with career pathways programs and adopting contextualized learning practices that combine basic education and skills coursework with CTE coursework
• braiding resources from WIOA Title I Adult and Youth programs with WIOA Title II programs to provide supportive services to those attending basic education and skills programs so as to facilitate both course and program completion
• ensuring that Title II and other adult education program participants are familiar with, and have access to, relevant job-readiness training and job search and placement services
• ensuring that Title II and other adult education program participants are familiar with and have access to opportunities to enter postsecondary education programs

Joint communication to local and regional providers will encourage the adoption of these and other best practices as well as the forming of model partnerships, not only by Title II providers, but also by other Adult Education Block Grant Consortia members.
Department of Rehabilitation (Title IV)

Working together at the state level, DOR and the State Board will partner to ensure integrated service delivery, the braiding of resources, the provision of supportive services, and the use of “earn and learn” and other training and employment services for individuals with disabilities at the local level. Partnership activities to support these ends have and will include all of the following:

- DOR will work with State Plan partners and Local Boards to develop integrated employment opportunities, skill attainment strategies and supportive services to assist individuals with intellectual or developmental disabilities.

- Working with EDD, the State Board will develop AJCC policies and also draft local and regional planning guidance, and DOR will provide technical assistance to inform these policies and guidance so as to ensure physical, electronic, and programmatic accessibility for individuals with disabilities in at least one comprehensive One-Stop in each local area. DOR and the State Board will provide a consistent message to both Local Boards and DOR district offices concerning state policy on these matters.

- To facilitate local compliance with relevant policies, and the development of strong local partnerships that ensure physical, electronic, and programmatic accessibility for individuals with disabilities, the State Board and DOR will provide support, technical assistance and professional development for Local Boards and comprehensive One-Stop operators. Support, technical assistance, and professional development activities may extend to cover the coordination of services occurring beyond the walls of the AJCC where deeper local and regional partnerships develop. In some instances, support and technical assistance to Local Boards and operators will occur through referrals to experts in appropriate local community-based organizations and regional developmental centers.

- The State Board and DOR agree that a MOU will be updated between each DOR district and the corresponding Local Board(s) concerning the operation of the One-Stop delivery system in the local area(s). The MOU(s) will specify the services to be provided, the funding sources and mechanisms for services provided, the methods of referral between One-Stop operators and One-Stop partners, and will specify methods to ensure that the needs of individuals with disabilities are addressed for the duration of the MOU.

- DOR and State Board staff will work jointly to assess the level of partnership in One-Stops and compliance with known and future regulatory requirements regarding access to services for persons with disabilities, including
requirements that core program partners provide services to job seekers either through co-location, cross-training, or direct access to these services through real-time technology in the state’s AJCCs.

- DOR and the State Board will provide information to Local Boards on best practices and model partnerships using both policy research and information from the field. DOR will provide disability expertise and technical assistance to inform service provision for individuals with disabilities at the local level. In some instances, technical assistance may come through referrals to appropriate local organizational resources, and may include the building of linkages to Community Based Organizations (CBOs) and regional centers that provide services to individuals with disabilities.

- DOR will designate a point of contact for and provide assistance and access to Local Boards for employers requesting assistance with Section 503 federal contracting hiring compliance.

- DOR district staff will designate a point of contact for the Local Boards to provide linkages to local service providers for consumers with intellectual and developmental disabilities.

- DOR will provide disability expertise and technical assistance to the Local Boards, partners, and employers so as to facilitate the movement of individuals with developmental and intellectual disabilities into Competitive Integrated Employment.

The Roles and Functions of Non-Core Partners

California Department of Social Services and County Welfare Directors’ Association

Working together at the state level, CDSS and the State Board will partner with Local Boards and CWDA to ensure integrated service delivery, the braiding of resources, the provision of supportive services, and the use of “earn and learn” and other training and employment services for TANF recipients in California. Partnership activities to support these ends have and will include all of the following:

- CDSS and CWDA agree that baseline federal rules for mandatory partnership at One-Stops will be communicated to County Welfare Departments and Local Boards through policy directives distributed by the state oversight departments: the State Board and EDD will distribute for Title I; CDSS will distribute for TANF. A joint letter reflecting this same information will also be issued from the State Board, CWDA, and CDSS.
• CWDA, the State Board, EDD, and CDSS staff will work jointly to assess the level of partnership and current compliance with known future regulatory requirements. This information will be used to ensure that all counties and Local Boards are on a path to compliance.
• CWDA, CDSS, and State Board staff will work jointly to identify models of TANF One-Stop partnership that go beyond baseline federal expectations, as well as the purpose of these partnerships, and the manner in which these partnerships elevate service delivery so as to improve client outcomes. The information gleaned from this analysis will be used to inform local and regional planning guidance and will be combined with baseline compliance rules to provide locals information on how to not only comply with baseline federal requirements, but also to develop the programs that best serve client needs.

Additionally, the expertise of practitioners at the local level will inform technical assistance provided by the state. County Welfare Departments that have successful subsidized employment partnerships with Local Boards and/or community college’s CTE programs will serve as templates for other CWDs to develop and/or expand subsidized employment programs. County human services departments that have successful partnerships with local community college CalWORKs programs may serve as model programs for other County Welfare Departments to develop and/or expand subsidized employment programs, as community college CalWORKs programs can utilize work study funds, job placement, and job development resources to aid in these efforts.
Chapter 6: Creating Cross-System Data-Capacity (Corresponding to Strategic Planning Elements Required Under WIOA Sec. 102(b)(1)(E) as well as Operational Planning Elements and Operating Systems 102(b)(2)(C)(ii)-(iii), and (v))

The planning guidance issued by DOL directs states to do the following:

- Provide a description of the operating systems that will support the implementation of the State Plan including the following:
  - labor market information systems
  - data systems
  - communication systems
  - job banks
  - data collection and reporting processes for all programs

- Provide a description of the state’s approach to assessment of programs and One-Stop partners including the following:
  - assessment of core programs
  - assessment of One-Stop program partners
  - previous assessment results (from the previous two years)

- Provide a description of the state’s approach to using program data including the following:
  - efforts to align and integrate workforce data and education systems including:
    - the exchange of cross-program common data elements to support assessment and evaluation
    - the state’s plans to integrate data systems to facilitate intake and service delivery to track participation across programs included in the plan
    - how the State Board will assist the Governor in aligning technology across One-Stop mandatory partners and how this will improve service delivery to individuals
    - the state’s plans to develop and produce reports required under section 116 of WIOA
      - assessment of participants’ post-program success
      - use of the UI base wage file
      - privacy safeguards

This chapter provides the relevant information while also providing policy direction on how the state will use data to further the objectives of the State Plan.
Catalog of Operating Systems, Data-Collection, and Reporting Processes to Implement State Strategies (Corresponding to Section III (b)(1) of the planning guidance)

DOL planning guidance Section III (b) (1) requires that states provide an overview of state operating systems that will support the implementation of the state’s strategies, including information pertaining to labor market information systems, data systems, communication systems, case-management systems, and job banks.

The first section of this chapter provides relevant information pertaining to labor market information systems, communication systems, and job banks that will support the implementation of the state’s strategies. Information pertaining to performance data systems and case-management systems is provided in the chapter sections pertaining to assessment, program data integration, and systems interoperability.

Labor Market Information Systems

The three primary systems and sources of information on labor market dynamics relevant to the implementation of the State Plan in California are EDD’s LMID, the community college Centers for Excellence for Labor Market Information, and Go-Biz.

The Employment Development Department’s Labor Market Information Division

The LMID’s primary function is to regularly collect, analyze, and publish information about California’s labor markets. In addition to employment and unemployment data, LMID provides:

- economic development and planning information
- industry and occupational characteristics, trends, and wage information
- social and demographic information

Data are available for the state and counties. Some data are available for other geographic regions as well. Additionally, LMID also provides technical assistance and customized data services for state and sub-state geographic areas. LMID carries out this work through a variety of program groups:

- The Employment Payroll Group (EPG) administers the Quarterly Census of Employment and Wages (QCEW) program through a cooperative agreement with the DOL’s Bureau of Labor Statistics (BLS). The QCEW program collects, edits, and disseminates employment and wage data for all California employers covered under the California UI code laws. The EPG staff assigns industry and
geographic codes to these employers. These data are used to analyze employment trends, prepare economic forecasts, and are the source for virtually all samples used in BLS employer programs.

- The Current Economic Statistics Group (CESG) provides a wide spectrum of labor force and payroll employment information, along with producing industry and occupational employment projections for the state and the sub-state areas through several contracts with federal agencies.

- The Statewide Information Services Group consists of two main functional areas:
  - the Occupational Research Unit (ORU), which provides analysis of occupational information including job descriptions, working conditions, occupational skills, training levels, licensing requirements, and local wage information; and
  - the Geographic Information Systems Unit (GISU), which creates specialized maps and reports that display labor market and related data in ways that reveal relationships, patterns, and trends.

- The Occupational Survey Group (OSG) administers the Occupational Employment Statistics (OES) program through a cooperative agreement with the BLS. The OES program conducts a survey of California employers to collect occupational employment and wage data, which are critical for planning statewide and local training efforts.

- The Regional Analysis and Support Group (RASG) provides customized labor market information to support strategic planning efforts, promote strategic partnerships, and assist in making informed decisions toward investing resources in key industry clusters of opportunity and occupations.

- The Local Information Services Group (LISG) is the LMID’s primary in-person provider of labor market information (LMI) services. The LMID assigns labor market consultants throughout the state to deliver LMI to local customers who use it to address their own business needs.

The Community College Centers of Excellence for Labor Market Information

The community college Centers of Excellence (COE) for labor market information provides direct in-house technical assistance and analytics to community colleges for the “Doing What Matters” program operated by CCCCO. Since 2005, the COE have conducted in-house workforce research to inform California community colleges about the industries and occupations driving employment demand in their regions. COE provides labor market information to assist community college administrators with program decision-making, faculty with curriculum planning, and students with
career choices so as to effectively link in-demand jobs to community college programming. COE does not provide the same function as LMID, as they do not collect and label employment data for BLS or any other federal entity. COE uses LMID data and other labor market information sources to provide data specific to the community colleges internal needs.

The Governor’s Office of Business and Economic Development

Through its relationships with local EDCs and iHubs, and with it existing state economic development initiatives, Go-Biz is positioned to have access to information concerning emerging industry sectors across the state’s regions. Go-Biz will be helping make this information available to Local Boards as they engage in the regional planning process with their local economic development partners.

Policy Statement on the Use of Labor Market Data under WIOA

Local and regional workforce plans required under WIOA are expected to be informed by objective labor market data. To this end, the State Board will partner with EDD-LMID and Local Boards to develop a template for the type of regional labor market data EDD-LMID will provide to RPUs so as to aid Local Boards in meeting the objectives of regional planning. This template will be responsive to, and consistent with, the needs of Local Boards and also sensitive to the resource constraints of EDD-LMID.

Consistent with the foregoing effort, all regional plans required under WIOA section 106, will be required to be informed by the regional labor market data provided by EDD-LMID. In addition to labor market data provided by EDD-LMID, Local Boards may use supplemental data sources for regional planning purposes.

Communication Systems

Core programs and mandatory One-Stop partner programs all use the typical communication systems used by any government agency, including email and phones. To carry forward the objectives of this State Plan, core program partners have agreed to issue joint communications and policy directives to local service delivery providers at the local level when appropriate. State plan partners will meet with the State Board to develop strategies for engaging in this form of communication to local service providers as necessary. Additional detail on the policy areas featured in these coordinated directives can be found in chapter 5.

The One-Stop Design workgroup, convened and facilitated by both the State Board and EDD, and inclusive of representatives from all core programs and state and local partners in the one-stop system, established a communications subcommittee to
develop a communication protocol for core partners in regards to WIOA implementation. The subcommittee recommended that the State Board convene a cross-functional communications team, consisting of a single point of contact identified for each of the core partners that will:

- meet on a consistent basis and establish a structure, method, and the means to distribute information on WIOA implementation
- identify partner resources for communication activities and pool resources to communicate as a system
- develop common outreach strategies, informational materials, social media, and web-based portals with links to all partner websites, including:
  - external communication portal for job seekers and employers (service focused)
  - An internal communication portal for the staff of all partners, with templates, policy guidance, directives, partner information, and promising practices.

Job Banks
The state utilizes two different databases to facilitate labor exchange services, one of which has been developed for general use, and the second designed to service a specific population with a specific purpose in mind.

The primary labor exchange system in use in the state is CalJOBS. The CalJOBS system is California’s online resource to help job seekers and employers navigate the state’s workforce services. CalJOBS delivers workforce development services to individuals twenty four hours a day, seven days a week, from any location with Internet access. CalJOBS provides easy access to the largest number of unduplicated online job opportunities currently available in one location, aggregating millions of jobs that are posted online every day. The system allows users to easily search for jobs, build resumes, access career resources, find qualified candidates for employment, and gather information on education and training programs. Below is a list of a few of the main features available to job seekers:

- create and upload multiple versions of their resume tailored to specific jobs or career paths
- customize and conduct job searches
- set up alerts for job openings – either via e-mail or text message
- apply for job openings
- research prospective employers
• make customized resumes viewable to prospective employers
• use the mobile application, which is available in the Apple iTunes or Google Play stores

CalJOBS was designed with the understanding that employers are key customers of the workforce system. Employers can access CalJOBS online to post job orders, search resumes for qualified applicants, access industry statistics, and utilize other resources. Staff can also directly assist employers to ensure they get the results they require. CalJOBS provides assistance to employers for online recruiting, including advanced resume search tools, automated correspondence, and applicant tracking.

In addition to CalJOBS, DOR utilizes the Talent Acquisition Portal (TAP), a national online database connecting businesses seeking to hire individuals with disabilities with qualified job candidates.

TAP offers employers the opportunity to post jobs, search candidate resumes based on skill sets and geographic availability, capture job metrics, generate compliance reports, interview candidates, have online job fairs, and have their jobs seen by individuals with disabilities across the country. At the same time, job candidates with disabilities can explore job opportunities at the local, state or national level by utilizing TAP’s “TAP Matching” which will match their skills to specific jobs and locations. Candidates thereby interface with companies who have a commitment to hiring qualified applicants with disabilities. These candidates do this with the support of their VR Counselor and the national employment team. Although TAP was not built solely for compliance, it was built with the input of senior officials at the Office of Federal Contracts and Compliance (OFCCP), so TAP features all the necessary metrics for the new 503 and Vietnam Era Veterans’ Readjustment Assistance Act regulations.

The State’s Approach to Assessment for Core Programs (Corresponding to Section III (b)(4) of the planning guidance with some overlap with Section III(b)(6))

California will negotiate statewide performance goals with the Department of Labor Employment and Training Administration (DOLETA), and ED’s Office of Career, Technical, and Adult Education (OCTAE) and Rehabilitation Services Administration (RSA) for the state accountability measures described in Section 116(b) for the core programs.

To facilitate a statewide, regional, and local approach to assessment based on negotiated performance indicators, program data system collection and reporting, and education and workforce system alignment, the State Board has convened the
core program and strategic partners to develop a commitment to systems alignment and service delivery coordination, as well as shared understanding and approach to policy, performance, and data sharing. Relevant detail on how the state will proceed with respect to assessment includes the following:

State Level Assessment and Performance

During the first year of WIOA performance accountability, California will develop baseline performance indicators for each program and indicator average score and individual programs based on existing enrollment data and robust discussions amongst core programs partners, Local Boards, and DOL and ED representatives. Thereafter, California will do the following:

- The State Board, in coordination with core program partners, will adjust baseline performance indicators following guidance from DOLETA, ED OCTAE, and ED RSA.
- Program data from each core program will be used in the assessment.
- Program data includes, but is not limited to, populations served, projected enrollments and cohort exits, and economic conditions.
- Assessment of program data will be culled from three separate data systems:
  - CASAS TopsPRO, contracted by CDE
  - CalJOBS, utilized by EDD
  - AWARE, utilized by DOR
- The core programs will be assessed using tools and methods such as the statistical adjustment model prepared by DOL and ED, annually reported data prepared for DOL and ED, real-time program data, and historic program data.
- Each core program utilizes participant assessments as part of their service delivery and program outcome framework for self-assessment and for program accountability.
- All core programs will be assessed at the state level, but only Title I will be assessed at the regional and local level.
- Efforts at integrated performance reporting, cross-system data alignment and systems interoperability will develop over the course of the four year plan and are contingent on negotiated agreement among the State Plan partners.

Regional and Local Assessment and Performance

Regional performance is at the Governor’s discretion, as it is not mandated in statute. Moreover, not all core programs are required regional partners under WIOA section 106. Given the policy direction of the State Plan, California will take the following approach to regional performance.
• The State Board is looking to further implement additional state measures at the regional level to assess progress toward achieving State Plan policy objectives and enumerated goals. These will include the following:

  o a regional enumeration - the number of middle-skill industry-valued and recognized postsecondary credentials awarded in the region

  o some measure of training-related employment by occupation and or sector, to assess whether training and education programs are leading to employment in relevant occupational fields or industry sectors following program exit (this is the mechanism the state will use to measure participants' post-program success and will also help determine the extent to which training programs being utilized actually align with labor market dynamics) (see planning guidance Section III(b)(6)(B)).

• The State Board will collectively negotiate local area performance goals for Title I programs with Local Boards organized into RPUs, but Local Boards will continue to be held individually accountable for WIOA performance indicators 116(b).

The process for which local boards negotiate goals at the regional level will be developed through consultation with Local Boards and issued through statewide policy guidance.

Data Systems and Program Data and Processes Used for Assessments, Performance, Case Management

This section describes the data systems used for performance assessment and case management in California and provides information required in the WIOA planning guidance section III (b) (1), III (b)(4), and III(b)(6).

EDD-Work Services Branch (Title I & III) utilizes CalJOBS for both case management and performance tracking. The CalJOBS system also tracks most financial information for Title I and Title III.

The data collection and reporting process currently requires all Local Areas required to report all Title I and Title III WIOA participants served in One-Stop centers through the CalJOBS system, a web based application accessible to all local partners receiving WIOA funding from EDD. EDD also uses CalJOBS for the Trade Adjustment Act (TAA) programs. Features of the data system and relevant processes include the following:

• web-based, fully integrated labor exchange, financial and case management system
• used by local areas to track and report program data for Title I programs and Title III, as well as eligible training providers entering program data for WIOA-funded participants
• data is entered directly into CalJOBS system or uploaded on a regular basis using a virtual One-Stop (VOS) system or an approved third party system
• individual participant assessment instruments used by Local Boards are currently determined at the local level, but the state may work to negotiate a policy with State Plan partners that establishes common assessment procedures and a common set of assessment tools throughout the system.

The **California Department of Education - Adult Education Office (AEO) (Title II)** provides assessment and accountability services through a data system called TOPSpro (Tracking of Programs and Students) Enterprise for Title II case management and performance tracking. TOPSpro is a computerized database designed for program administrators in adult education, including statewide assessments and related accountability software to accurately measure progress, mastery of skills, and competencies needed to both complete, and advance one or more Educational Functioning Levels (EFL). It automates scoring, collects student demographic data, tracks agency and individual student performance, generates reports, and aggregates data for state and federal year-end reports. Features of the data system and relevant processes include the following:

• **Used for collecting information for the purposes of programmatic and annual reporting.**
• **Each local program uses TOPSpro Enterprise software to collect and report all student progress and outcome measures.**
• **The system provides student, class, and program reports that enable local providers to have immediate access to the data for targeting instruction for continuous program improvement.**
• **The local data are submitted quarterly and annually to the CDE for monitoring and aggregation into state and federal reports.**
• **TOPSpro records each student’s goals on entering a class (via the TOPSpro entry record), as well as their educational outcomes (via the TOPSpro update record).**
• **Assessment may be formal (e.g., a written test), or informal (e.g., teacher observation of student performance through a checklist of competencies mastered).**
• **Exit tests for various instructional levels are provided and certain funding streams require that these tests be administered regularly to document student progress.**
The data collected consists of measurable skill gains in the following programs areas: English as a Second Language (ESL), Adult Secondary Education (ASE), and Adult Basic Education (ABE).

For program year 2016-17 the CDE-AEO intends to use the same data system to meet requirements for collecting and reporting data requirements for the WIOA performance indicators. This reporting structure is based on National Reporting System (NRS) guidelines, which are retained under WIOA. The area of change for the CDE-AEO pertains specifically to the addition of UI wage record data as part of the reporting structure.

The data collection process begins with program staff at agencies funded by the Adult Education Family Literacy Act inputting the data on a daily basis at each site during the program year. Each week the data collected from AEFLA funded agencies is aggregated at a statewide level. The annual data aggregation and data validation begins August 1st of each year. The purpose of the annual data aggregation and validation process is to compile state and federal year-end reports due to ED annually, December 31st.

Performance measures include all elements in the federal NRS reports, including enrollment, attendance hours, completion of an EFL and advancement of one or more levels, separation before completion, and persistence within a level. Additional performance measures include attainment of a secondary school diploma or its recognized equivalent, and placement, retention, or completion of postsecondary education, training, or unsubsidized employment or career advancement.

The CDE also conducts an annual comprehensive qualitative program survey. This survey is required of all participating agencies and involves practitioner focus groups and interviews of both teachers and students. The results provide recommendations for state level planning and development activities, identify best practices and emerging needs, and help focus professional development and training to ensure effective instructional programs for targeted populations.

DOR (Title IV) utilizes a case management system known as Accessible Web-Based Activity Reporting Environment (AWARE). In addition to WIOA data reporting, the AWARE system has a financial component utilized for federal reporting requirements. The system contains client data, case notes, and information regarding goods/services for clients.
Data are collected and input in-house by direct service staff located statewide in 13 districts. DOR plans to train staff in the new processes and use AWARE to collect WIOA data.

State VR systems/agencies collect and report summary data in a federally mandated format called the RSA Case Service Report, also known as the RSA-911. The RSA-911 report is submitted annually for the preceding fiscal year by each state’s vocational rehabilitation agency.

The RSA-911 report contains a record for each case closure that occurred in an agency, regardless of the reason for closure. Therefore, because case closure is the trigger event, it is feasible that a consumer: (1) may not appear in the report in a given year, even though they received VR services during that year or (2) an individual may appear more than once in one year, if their case was closed on two or more separate occasions.

The Federal RSA-911 report aggregates many variables of outcomes-related information, including demographics, disability, interventions, and reason for closure, employment status, sources of financial support, and more. The values of certain fields (e.g. income, hours worked per week, etc.) are reported both status at application and status at closure. Features of the data system and relevant processes include the following:

- Web-based, fully integrated financial and case management data system utilized by the DOR and public vocational rehabilitation agencies
- Currently, the assessment process involves the rehabilitation counselor (SVRC) providing an assessment of the skills and needs of every client as part of the eligibility determination process
- The SVRC also assesses functional limitations through the determination of the level of severity of disability as part the order of selection process
- Some cooperative programs provide vocational assessments as part of the contract scope of work to help determine eligibility, severity of disability, strengths, weaknesses, potential job goals, additional service needs, and recommended accommodations. In addition, assessment is provided on an ongoing basis throughout service delivery to ensure services are appropriate and are leading the DOR client to an employment outcome.
- The Fee for Service Assessment Services involves the Community Rehabilitation Programs (CRPs), which may be certified to provide specific services under the broad category of Assessment Services. Assessment Services provide information to a DOR client/applicant and referring DOR
counselor to assist in eligibility determination, identification of barriers to employment, identification of strengths, resources, abilities and interests, and/or to determine the nature and scope of DOR services to be provided.

- A written report identifies answers to questions provided by the referring counselor and assists with information leading to the development or modification of rehabilitation services being provided. Identification of specific barriers to employment and recommendations to eliminate those barriers are included in the report.
- Assessment Service Specifications are available for the following three (3) services:
  o Comprehensive Vocational Evaluation (CVE)
  o Situational Assessment (SA)
  o Vocational Assessment (VA)

Other Mandatory One-Stop/Partner Data Systems

Several mandatory One-Stop partners, including Second Chance, Youth Build, and Job Corps are funded through a federal competitive grant process and are not provided universally throughout California. Access to the services provided by these programs is negotiated locally and each grantee procures or develops their case management system and is responsible for customer tracking and reporting. Job Corps has instituted the Interim Checkpoint for Eligibility (ICFE), a data collection instrument to check on outcomes of graduates 90-120 days after initial placement and again at six and twelve months. Customers who are co-enrolled in WIOA Title 1 services are registered in the CalJOBS system. Other federal partners, including the Community Services Block Grant (CSBG) and Housing and Urban Development (HUD) are formula funded, with funds moving through state agencies to local government. Case management for these systems is identified locally.

The State’s Approach to Assessment for One-Stop Mandatory Partners

The state will initially assess One-Stop mandatory partners on whether they are meeting baseline federal requirements pertaining to co-location, cross-training, and meaningful virtual access to services in at least one comprehensive One-Stop in each Local Area. The state has secured agreement from all core programs, DSS, and the County Welfare Directors Association to work collaboratively to ensure compliance on this matter.

The State Board will also develop a One-Stop assessment/certification policy that will further assess the effectiveness of the One-Stop system and the partnerships of the
One-Stop partner programs at the local and regional level at least once every three years.

Recommendations on the criteria to be used in this assessment/certification are being developed through the One-Stop Design workgroup, convened and facilitated by both the State Board and EDD. This workgroup also includes representatives from all core programs and other state and local partners in the One-Stop system and is charged with identifying and disseminating information on best practices relating to business outreach, partnerships, and service delivery strategies, identifying and responding to implementation challenges, and providing policy recommendations to the State Board to guide the effective operation of the One-Stop system in California. Assessment/certification criteria will include all of the following:

- an assessment of leadership, planning and collaboration (how well are core programs involved and aligned?)
- an assessment of customer-focus and customer-centered design (do clients get the services they need?)
- an assessment of the manner in which the One-Stop will enable skills attainment leading to industry recognized credentials and degrees (does the One-Stop help move those with barriers to employment on a path to skills development?)
- an assessment of the way the One-Stop will use data for continuous improvement (do One-Stop operators utilize performance data to improve service delivery?)
- an assessment of professional development and staff capacity building (are frontline staff trained on the requirements of WIOA, the policies required under the State Plan, and to provide high quality, customer-focused services?)
- an assessment of employer engagement and focus on high growth sectors (is programing aligned with regional labor market dynamics?)

**Previous Assessment Results of Core Partners and One-Stop Partner Programs**

During the last two years, the State Board delegated responsibility for the assessment of the effectiveness of the core programs and One-Stop partner programs operated through the WIA, to the forty-eight Local Boards designated to operate in California and to the state agencies with oversight responsibility for each title of WIA (Title I and III to EDD, Title II to the CDE, and Title IV to DOR). Assessment of the effectiveness of the system included:

1. Partnership and participation in building the system - measured by signed MOU, co-location of staff, reduction in stand-alone service centers, service integration, and leveraged resources/shared costs.
• EDD conducted an assessment of the integration of WIA Title I and Title III in the One-Stop system, establishing that California's 190 AJCCs, 80 sites are comprehensive AJCC with fully executed MOU's with required partners, 107 sites are affiliate AJCC's and 3 sites are stand-alone EDD offices.

• The State Board has coordinated an assessment of the core partners, the CCCCO, and DSS to assess the participation of California's 58 County Welfare Department’s, 113 community colleges, 84 Department of Rehabilitation district offices and 70 adult education consortiums, finding a high degree of coordination, information sharing, and referral among partners, and an interest in working more collaboratively in the future to serve customers.

• During the state planning process the CWDA conducted an assessment of integration of the CalWORKs (TANF) program in the One-Stop system and found that 59 percent of California’s CalWORKs programs are co-located in the AJCCs, 43 percent participate in cross-training of partner staff, and 20 percent have a virtual connection between the CalWORKs and AJCC staff for referral purposes.

2. Providing excellent customer services to job seekers and employers. The Local Boards have assessed the ability of the local system to implement service strategies to meet the needs of job seekers and employers in a variety of ways, including customer satisfaction surveys, secret shoppers, creation of teams to interview staff, partners and customers, and development of professional development and capacity building programs for staff and partners.

In addition, CCCCO has developed on-line tools to assess the completion rates and average wages of students enrolled in career pathway programs and is publishing outcome data on attainment of certificates, credentials and degree programs, and CDE is encouraging adult education consortia to utilize the CalPASS system to assess the effectiveness of adult education programs.

3. Title II produces Annual Performance Reports in collaboration with CASAS. According to the annual report, California is the largest adult education provider in the United States. The state served approximately 18 percent of the nation’s adults enrolled in AEFLA programs, according to the 2012-13 NRS data. Because the state is home to one-fourth of the national non-English-speaking population, the ESL program comprised 60 percent of California’s AEFLA programs and 27 percent of the nation’s ESL program that year. California also served more learners in ABE and ASE programs than any other state,
comprising 11 percent of total learners enrolled in ABE and ASE nationwide. In 2013–14, 202 local agencies served 463,005 learners in the AEFLA programs.

4. Title IV, In accordance with section 101(a)(15)(E), Evaluation and Reports of Progress, of the Rehabilitation Act, DOR’s State Plan includes the results of an evaluation of the effectiveness of the vocational rehabilitation program, progress made in improving the effectiveness from the preceding two-year period, and submits a joint report with the SRC, to ED’s Rehabilitation Services Administration Commissioner. The evaluation and report include:

- the extent to which DOR’s State Plan goals were achieved;
- the strategies that contributed to achieving the goals;
- the extent to which the goals were not achieved, and a description of the factors that impeded that achievement; and
- an assessment of the performance of the state on the standards and indicators established pursuant to section 106, Evaluation Standards and Performance Indicators, of the Rehabilitation Act.

5. Ability to meet WIA Performance Outcomes and implement continuous improvement - the State Board, CDE, DOR, EDD and the Local Board have assessed the effectiveness of the core programs and One-Stop partners using the WIA performance measures and other locally developed or programmatic performance measures.

In the last two years, over half of the forty-eight Local Areas have conducted an assessment of the effectiveness of their comprehensive and affiliate One-Stop centers. Those who have conducted assessments do so typically on an annual basis in coordination with many of the WIOA mandatory partners. Assessments are conducted for the purposes of local monitoring as well as reporting effectiveness back to Local Boards. While assessments are conducted by local areas themselves, some local areas contract out to consultants to get more objective and expert-driven assessments. Program data, such as expenditures, quarterly enrollment and performance data, measured-against goals, customer satisfaction survey results, site visits and interviews, and contracts executed are utilized in the assessment process.

- All Local Areas create reports on customers served and program outcomes for partners and for their boards.
- Nearly 80 percent of the Local Areas have a process for assessing the needs of the job seeking and employer customers served with services and programs that meet those needs.
• Over 75 percent have a mechanism in place for measuring job seeker and/or employer customer satisfaction.
• Nearly two-thirds of the Local Areas have a process to measure One-Stop partners’ satisfaction with the system.
• Two-thirds of the Local Areas have professional development programs in place for staff and partners.
• Almost all Local Areas provide training for front-line and business services staff on a regular basis.
• Only about 40 percent have a process in place to measure if One-Stop services meet the needs of core partner customers.

The assessment of the effectiveness of the core programs and One-Stop partners has not been coordinated or aligned in the past two years. Based on this history, the State Board is working to enhance and improve communication between the core and other state plan partners.

The State’s Approach to using Program Data Integration and Interoperability (Corresponding to Section III (b)(6) of the planning guidance)

California is dedicated to developing a roadmap towards greater data integration and interoperability and is researching centralized and federated methods to track, share, manage and report performance data over the medium term but is doing this in a manner that appreciates the complexity of the task at hand.

As pointed out in chapter 2, California provides workforce and education services through a myriad of largely decentralized service delivery structures, including 11,000 K-12 schools, over 1,000 school districts, 500 charter schools, 113 community colleges (in 72 community college districts), 58 County Welfare Departments, 58 County Offices of Education, 47 Local Boards overseeing 190 One-Stops, and more than half a dozen state departments and agencies.

Not all programs operating in this largely decentralized service delivery network have the same eligibility requirements, data needs, or program goals. Some of the relevant data systems are operated by local government. Some are operated by state government. All have existing case management, data-collection, and reporting legacy systems which have been designed with both their program specific needs and their client population characteristics in mind. Moreover, all these programs have existing relationships with vendors and many are party to legally binding contracts for the provision of case management, data collecting, and reporting services.
Given this context, the state is approaching the matter of data-sharing and the building of interoperable data systems with the following principles in mind:

- **Form meets function.** The technological architecture for interoperable data-systems should be crafted to serve the policy objectives of the programs they are designed for and should not unduly constrain or predetermine the policy choices of program administrators and operators in a way that limits the capacity for policy innovation.

- **Data-sharing and data integration efforts** make the most sense where there is a commonality of interest, need, or purpose and a set of shared goals. Any efforts to develop data-sharing agreements or, where appropriate, move towards data-integration will proceed on the basis of value-added partnership such that all partners gain something from the partnership.

- **Agreements will need to recognize and take into account** the varied needs of different programs and client populations, the varying privacy requirements of different programs, recognition of data-ownership by program operators, and the need to work collaboratively to craft shared solutions that serve both the programs being operated, and more importantly, the members of the public receiving services.

Operating from the foregoing policy perspective, the State Board has created the “Data-Sharing and Performance Accountability Workgroup” to assist the Governor in aligning technology across core programs and One-Stop mandatory partners with the goal of improving service delivery to individuals.

Representatives from all WIOA core programs, the community college system, K-12 education, the ETP, and DSS (TANF) have all participated in the workgroup, with representatives meeting with State Board staff more than a dozen times either collectively or program to program. To date, the workgroup has done all of the following:

- exchanged information about common data elements that support assessment and evaluation
- exchanged information about data systems in-use and extant performance reporting processes
- shared information on WIOA performance metrics, reporting requirements, regulations, and guidelines
- shared information on other performance reporting requirements in state law including:
SB 1402 (T. Lieu, Chapter 361, Statutes 2012) which requires performance reporting for C CCCCO CTE programs operated under the DWM framework; and

AB 2148 (K. Mullin, Chapter 385, Statutes of 2014) which requires the creation of an Internet-based, annual workforce metrics dashboard that includes information on participant outcomes from community college career technical education, ETP programs, WIA and WIOA Title I Adult, Youth, Dislocated Workers, and Title II Adult Education programs, as well as Trade Adjustment Assistance, and state apprenticeship programs.

- discussed challenges to implementing WIOA performance requirements
- reviewed approaches to data sharing and workforce performance reporting systems, (including dashboards) in other jurisdictions
- developed a forum to explore ways to integrate data systems to facilitate intake and service delivery and to track participation and performance across programs

State Plan partners are now beginning to map a way forward and have started to express their preferred approaches to achieving WIOA’s vision for achieving data integration and interoperability, including alternative centralized, federated, and hybrid approaches.

In the coming months, the State Board will continue to convene this workgroup to plot a way forward using the principles outlined above with the goal of developing a data-sharing governance structure that facilitates compliance with federal requirements. As part of this process, the State Board is working with EDD, CDE, DOR, CCCCO and other state plan partners to develop an agreement that does the following:

- secures access to, and ensures the use of, the base wage file for use in all performance reporting relevant to WIOA employment and wage performance metrics as required under proposed regulations
  - Core program partners have been made aware that use of the base wage file is required under the federal regulations.
  - Each core program will need to negotiate a data-sharing agreement with EDD to make proper use of the base wage file.
- secures access to, and ensures the use of, data on credential attainment, skills gains, and degree and credential completion for use in all performance reporting relevant to human capital investment
- ensures all relevant state and federal privacy requirements are met, including HIPPA and FERPA requirements, and all other relevant state and federal laws.
lays the groundwork for developing, where appropriate, common intake processes and integrated or interoperable performance reporting systems where agreements are consistent with the principles outlined above.

Additionally, the State Board is working to build greater capacity for cross-system assessment of the education and workforce systems through its participation with partners EDD and CCCCO in the State Workforce and Education Alignment Project (SWEAP) in order to receive technical assistance for the development of data tools that gives state partners and policymakers better data to assess the extent to which relevant workforce and education programs are having measurable labor market impacts for those receiving services. Data tools being developed through this project include the following:

- the cross-system metrics dashboard required by AB2148 which includes WIOA title I and Title II, ETP incumbent work training, state-approved apprenticeships, community college career technical education, and Trade Adjustment Act
- the community college program evaluation “LaunchBoard” which includes career pathway evaluators
- supply and demand reports required annually by SB 1402 (T. Lieu, Chapter 361, Statutes 2012) that compare numbers of community college program completers to number of jobs openings in in-demand occupations

To assess the quality, effectiveness and improvement of the core programs, the State Board will continue to meet with the state plan partners on a regular basis to ensure continuing collaboration and communication, overcome competing or inconsistent priorities, and check in on progress towards meeting goals.
Chapter 7: State Policies and Organizational Charts
(Corresponding to Operating Systems and Policies plan requirements delineated in WIOA Section 102(b)(2)(C)(i), (vi), (vii) and corresponding DOL Planning Guidance Sections III (b)(2)-(3) and (7)-(8)

The planning guidance issued by DOL directs states to do the following:

- Include a description of the state policies that will support the implementation of the state’s strategies
- Provide a description of the state program and a State Board overview
  - Describe the organization and delivery systems at the state and local levels for the programs covered in the plan and include an organizational chart
  - Provide a description of the State Board, including members and their organizational affiliations
  - Provide a description of the activities that will assist the State Board members and staff in carrying out the State Board functions effectively
- Describe how the state will implement and monitor priority of service for veterans
- Describe how the One-Stop delivery system will comply with Section 108 of WIOA and the Americans with Disabilities Act

Some of the foregoing material is addressed in other portions of the State Plan. This chapter is designed and organized to fulfill the foregoing requirements without unduly creating duplicative text. The chapter begins with an overview of the specific California statutory policy framework in which California workforce programs operate so as to illuminate the relationship of these statutes and other policies to the policy objectives and strategies emphasized in this State Plan. It then provides relevant organizational information requested by the planning guidance that is not covered in other chapters and closes with information relevant to veterans and disability policies required under WIOA. For simplicity sake, program specific policy requirements delineated in the planning guidance are typically not contained in this chapter, but rather in the appendices that compile program specific assurances and program specific plan requirements for each of the core programs.

State Policies that support State Plan Strategies

This State Plan is formulated to achieve three policy objectives:
• **Fostering “demand-driven skills attainment”**. Workforce and education programs need to align program content with the state’s industry sector needs so as to provide California’s employers and businesses with the skilled workforce it needs to compete.

• **Enabling upward mobility for all Californians**, including populations with barriers to employment. Workforce and education programs need to be accessible for all Californians and ensure that everyone has access to a marketable set of skills.

• **Aligning, coordinating, and integrating programs and services** to economize limited resources.

The seven policy strategies by which the foregoing objectives are to be achieved include the following:

• **Sector strategies**: aligning workforce and education programs with leading and emergent industry sectors’ skills needs.

• **Career pathways**: enabling of progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skills development corresponds with a labor market payoff for those being trained or educated.

• **Regional partnerships**: building partnerships between industry leaders, workforce professionals, education and training providers, and economic development leaders to develop workforce and education policies that support regional economic growth.

• **“Earn and learn”—using training and education best practices that combine applied learning opportunities with material compensation while facilitating skills development in the context of actual labor market participation.**

• **Supportive services**: providing ancillary services like childcare, transportation, and counseling to facilitate program completion by those enrolled in training and education courses.

• **Creating cross-system data capacity**: using diagnostic labor market data to assess where to invest, and also, the use of performance data to assess the value of those investments.

• **Integrated service delivery**: braiding resources and coordinating services at the local level to meet client needs.

Over the last five years California has enacted several statutes that are consistent with the policy direction of WIOA and the strategies emphasized in this State Plan.
Some of these are detailed in chapters 3, 4, 5, 6. This section recaps that material and also discusses other state policies relevant to State Plan strategies.

State Legislation

**AB 554 (T. Atkins, Chapter 499, Statutes of 2011)** requires the State Board and each Local Board to ensure that programs and services funded by WIA and directed to apprenticeable occupations, including pre-apprenticeship training, are conducted in coordination with one or more apprenticeship programs approved by DIR-DAS for the occupation and geographic area. AB 554 also requires the State Board and each Local Board to develop a policy of fostering collaboration between community colleges and approved apprenticeship programs in their geographic area to provide pre-apprenticeship training, apprenticeship training, and continuing education in apprenticeable occupations through the approved apprenticeship programs. This statute is consistent with and will help the State Board in its efforts to emphasize “earn and learn” programs under this State Plan.

SB 698 (T. Lieu, Chapter 497, Statutes of 2011) requires the Governor to establish, through the State Board, standards for certification of “high-performance” Local Boards, in accordance with specified criteria, including local program alignment with regional labor market needs, partnership and program alignment with education providers, investment in skills development and career pathway programs, and regional planning with other Local Boards. The Governor and the Legislature, in consultation with the State Board, are also required to reserve specified federal discretionary funds for “high-performance” Local Boards, and the State Board is required to establish a policy for the allocation of those funds to those Local Boards. This statute is consistent with, and helps the State Board in its efforts to, align workforce and education programs while also providing a legal mandate to carry the sector strategies, career pathways, and regional organizing aspects of this State Plan.

SB 734 (M. DeSaulnier, Chapter 498, Statutes of 2012) requires Local Boards to spend at least 25 percent of their Adult and Dislocated Worker funds on training services beginning July 1, 2012. This minimum training expenditure requirement increases to 30 percent on July 1, 2016. The purpose of SB 734 is to establish minimum training investment levels for Local Boards in support of the data-driven, sector-based strategic investment activities identified in the State Plan.

SB 1402 (T. Lieu, Chapter 361, Statutes of 2012) reauthorized the CCCCO EWD and recast the policy direction of the program to align program investments with regional labor market dynamics. SB 1402 also directed program operators to employ sector
strategies and to facilitate the development of career pathway programs aligned with regional industry sector needs.

**SB 118 (T. Lieu, Chapter 561, Statutes of 2013)** added regionally focused “sector strategies” language to what was then called the California WIA and directed the State Board to work with relevant educational, workforce, and economic development agencies, at the state and local levels, to ensure regional coordination and alignment of programs with regional industry needs.

**AB 1270 (E. Garcia, Chapter 94, Statutes of 2015)** harmonized the language of the California WIOA with federal WIOA, and ensured that state language pertaining to sector strategies, career pathways, regional organizing, and program alignment across programs is consistent with the requirements of WIOA.

**SB 342 (H.B. Jackson, Chapter 507, Statutes of 2015)** directs the State Board to help individuals with barriers to employment, including low-skill, low-wage workers, the long-term unemployed, and members of single-parent households to achieve economic security and upward mobility by implementing policies that encourage the attainment of marketable skills relevant to current labor market trends. The bill also encourages the State Board and Local Boards to adopt local and regional training and education strategies that include workplace-based “earn and learn” programs and defines “earn and learn” policies as those training and education policies that combine “applied-learning in a workplace setting with compensation allowing workers or students to gain work experience and secure a wage as they develop skills and competencies directly relevant to the occupation or career for which they are preparing”.

**Other Policies and Mechanisms for Achieving State Policy Objectives and Implementing Policy Strategies**

**Regional and Local Planning Guidance.** Policy alignment across core and State Plan partner programs will be accomplished at the regional level through the regional implementation of three of the seven policy strategies emphasized by the State Plan. These include sector strategies, career pathways, and organized regional partnerships. All three of these policies will be required under the regional planning guidance issued by the State Board to Local Boards organized into the regional planning units required under WIOA Section 106.

The primary purpose of local workforce plans and partnerships under this State Plan is to facilitate access to workforce services at the local level. While WIOA Section 106 regional plans and partnerships will be focused on constructing a regional architecture that aligns with regional labor markets, individuals will access and
experience this regional workforce architecture through local service delivery structures, principally through the AJCC system. In this regard, it is at the local level that services will be integrated, resources will be braided, and supportive services will be provided. The use of “earn and learn” training models, especially with regard to the use of pre-apprenticeship and apprenticeship, subsidized employment, and on-the-job training efforts will also occur principally at the local level, as Local Boards are required, under California state law, to spend 30 percent of their budgets on the provision of training services. The State Board will issue local planning guidance that makes clear the difference between the roles of local and regional plans that also helps Local Boards.

**One-Stop Certification Policy.** Chapters 4 and 6 both provide substantial information on One-Stop assessment and certification policies currently being developed to support implementation of the policy strategies emphasized in the State Plan.

**Relevant Organizational Information and Organizational Charts**

Chapter 2 provides substantial descriptions of the organization and delivery systems at both the state and local level for the programs covered by the plan. Chapter 4 details the roles and functions of the State Board in carrying forward the objectives and policies of this plan. Relevant organizational charts required by the planning guidance are provided in the pages that follow, including a chart pertaining to State Board membership.
California Department of Education
Communications Structure with the Field
Division of Workforce & Economic Development
Reports to Governor Edmund G. Brown Jr., as a member of the Cabinet.

Director: Christine Baker reports to the Secretary of the California Labor & Workforce Development Agency, David A. Lumer, who in turn reports to Governor Edmund G. Brown Jr., as a member of the Cabinet.

Department of Industrial Relations
State Board Membership

Chapter 4 details the roles and functions of the State Board in carrying forward the objectives and policies this plan. State Board Membership includes:

**BUSINESS**

1. **Jonathon Andrus**  
   CEO  
   Fairchild Medical Center

2. **Roberto Barragan**  
   President  
   Valley Economic Development Center

3. **Josh Becker**  
   CEO  
   Lex Machina

4. **Robert Beitcher**  
   President and CEO  
   Motion Picture and Television Fund

5. **Jerome Butkiewicz**  
   Workforce Readiness Manager  
   San Diego Gas and Electric

6. **Jamil Dada**  
   Vice President, Investment Services  
   Provident Bank-Riverside County Branches

7. **Shannon Eddy**  
   Executive Director  
   Large-Scale Solar Association

8. **Imran Farooq**  
   Principal and Owner  
   Omni International LLC

9. **Michael Gallo**  
   President and CEO  
   Kelly Space and Technology Inc.

10. **Chris Hill**  
    Vice President  
    Siemer & Associates

11. **Pamela Kan**  
    President  
    Bishop-Wisecarver Corporation

12. **Ro Khanna**  
    Counsel  
    Wilson Sonsini Goodrich and Rosati  
    Senior Advisor, San Francisco 49ers

13. **Stephen Levy**  
    Director and Senior Economist  
    Center of Continuing Study of the California Economy

14. **Laura Long**  
    Director of National Workforce Planning and Development  
    Kaiser Permanente

15. **James Mangia**  
    President and CEO  
    St. John’s Well Child and Family Center

16. **Karl Mehta**  
    Venture Partner  
    Menlo Ventures

17. **Stephen Moneros**  
    Vice President, Operations and Strategic Initiatives  
    SIGMA.net

18. **Lisa Mortenson**  
    CEO  
    American Biodiesel, Inc. dba Community Fuels

19. **Nathan Nayman**  
    Principal  
    Nayman Strategies

20. **Catherine O’Bryant**  
    President  
    O’Bryant Electric Inc.

21. **Kim Parker**  
    Executive Vice President  
    California Employers Association

22. **Robert Redlo**  
    Consultant  
    Doctors Medical Center

23. **Michael Rossi**  
    Chair  
    Advisory Board, Shorenstein Properties LLC
Board Chairman, CounterPoint Capital Partners LLC
Richard Rubin
President
Richard A. Rubin Associates Inc.
Alma Salazar
Vice President of Education and Workforce Development
Los Angeles Area Chamber of Commerce Unite-LA

COMMUNITY BASED ORGANIZATIONS

Monica Blanco-Etheridge
Senior Account Representative
The Rios Company

Hermelinda Sapien
CEO
Center for Employment Training

Abby Snay
Executive Director

ORGANIZED LABOR

John Brauer
Executive Director of Workforce and Economic Development
California Labor Federation, AFL-CIO

Ken Burt
Political Director
California Federation of Teachers

Bill Camp
Retired

LEGISLATURE

The Honorable Kevin Mullin
Assembly Member
California State Assembly

The Honorable Rudy Salas
Assembly Member
California State Assembly

Annette Smith-Dohring
Workforce Development Program Manager
Sutter Health-Sacramento-Sierra Region

Bruce Stenslie
President and CEO
Ventura County Economic Development Collaborative

Monica Blanco-Etheridge
Senior Account Representative
The Rios Company

Hermelinda Sapien
CEO
Center for Employment Training

Abby Snay
Executive Director

John Brauer
Executive Director of Workforce and Economic Development
California Labor Federation, AFL-CIO

Ken Burt
Political Director
California Federation of Teachers

Bill Camp
Retired

Diane Factor
Director
Worker Education and Resource Center (SEIU Local 721)

Louis Franchimon
Executive Secretary
Napa Solano Building Trades Council

Jeremy Smith
Deputy Legislative Director
State Building and Construction Trades Council

The Honorable Kevin Mullin
Assembly Member
California State Assembly

The Honorable Rudy Salas
Assembly Member
California State Assembly
GOVERNMENT

41 David Lanier (Representing Governor Edmund G. Brown, Jr.)
Secretary
California Labor and Workforce Development Agency

42 Diana S. Dooley
Secretary
Health and Human Services Agency

43 Brice Harris
Chancellor
California Community Colleges

Relations

CHIEF LOCAL ELECTED OFFICIALS

47 The Honorable Cindy Chavez
County Supervisor
County of Santa Clara

48 The Honorable Henry R. Perea
County Supervisor
County of Fresno

ACADEMIC

49 Laurence Frank
President
Los Angeles Trade-Technical College

50 Dr. Carol Zabin
Director of Research
University of California at Berkeley
Labor Center

NON-PROFIT ORGANIZATION

51 Michael Kelly
Executive Director
The Los Angeles Coalition for the Economy and Jobs
Priority of Service for Veterans

EDD is California’s designated state workforce agency and administers the State’s Jobs for Veterans Program Grant (JVSG). The JVSG supports two principal staff positions: Disabled Veterans’ Outreach Program (DVOP) specialist; and Local Veterans’ Employment Representative. The EDD operates and delivers outreach and career services to veterans with significant barriers to employment and employer outreach and workforce services with DOL-VETS funds.

To ensure access to services for veterans and veterans with significant barriers to employment, the state has established formal guidance regarding priority of service for veterans that all AJCC staff must follow. EDD Workforce Services Directive WSD08-10 provides this guidance. This guidance is being updated to include the new WIOA references and will be reissued once this is done.

Additionally, the state has prepared and delivered custom web training on veterans priority of service requirements in order to ensure that California continues to provide priority of service to California’s veterans. This training is in accordance with the requirements of United States Code, Title 38, section 4215 of title 38; Priority of Service for veterans in DOL job training programs.

The JVSG program is the specific resource for assuring all veterans requiring more intensive services receive proper assistance, and are connected to all available assistance from partners in a comprehensive system. This is accomplished with specially trained EDD employees that have a veteran military service background.

Referral Service

California uses Veterans’ Services Navigators (VSNs) as the first point of contact when veterans come into an AJCC. The VSN (Wagner-Peyser or partner staff) is the initial “triage” contact for veterans in order to address any significant barriers to employment and priority of services.

The Veterans’ Intake Form (VIF) is a tool used to help determine if the veteran meets the eligibility definition of a veteran, eligible person, or spouse per DOL definitions. The VIF provides guidance to the VSN to conduct a needs-based determination to other resources that are available at the AJCC. When the VIF is completed by the VSN, the VSN will refer the veteran to a Disabled Veterans’ Outreach Program specialist, Wagner-Peyser or other partner staff for further services.
**Access for the Disabled**

The state has existing policy guidance, which it will soon be updating and reissuing, regarding individuals with disabilities having equal access to services and information funded by WIA Title I programs and partner agencies:

- Workforce Services Directives [WSD10-1 and WSD10-2](#) – *Nondiscrimination and Equal Opportunity Procedures* and *Biennial LWIA Self-Assessment*, respectively, communicate the requirements regarding compliance with state and federal disability laws and procedures for ensuring accessible physical environments for all customers, including individuals with disabilities.

In support of these policies, the State Board is an active member of DOR’s SRC and the DOR represents individuals with disabilities on Local Boards. EDD maintains a Disability Policy Employment and Collaboration Unit (DPEC), whose primary objective is to develop both WIOA-required and discretionary partnerships to facilitate employment for individuals with disabilities.

The DPEC works with the State Board, Independent Living Centers, AJCCs, the DOR, Department of Developmental Services (DDS), and many other public and private stakeholders to improve employment opportunities for individuals with disabilities. The DPEC also encourages and assists stakeholders to train staff on disability awareness and effective service delivery. Some of the partnerships and activities supported by the DPEC include: Employment First, Youth Employment Opportunity Program, Youth Leadership Forum, Disability Employment Initiative and Disability Employment Accelerator.

**AJCC Accessibility Certification**

The State Board is committed to ensuring individuals with disabilities have physical and programmatic access to the AJCC system and services. The State Board, in consultation with chief elected officials and Local Boards, will establish objective criteria and procedures to evaluate the AJCCs and delivery system for effectiveness. The evaluation will include how well the local job centers ensure equal opportunity for individuals with disabilities to participate in or benefit from AJCC services. The evaluation must also include criteria evaluating how well the centers and local delivery systems take actions to comply with the disability-related regulations implementing WIOA section 188, set forth in 29 CFR part 37.
Chapter 8: Distribution of Funds for Core Programs (Corresponding to Operating Systems and Policies plan requirements delineated in WIOA Section 102(b)(2)(C)(iv) and corresponding DOL Planning Guidance Sections III (b)(5))

The planning guidance issued by DOL directs states to describe the methods and factors the state will use in the distributing funds under the core programs in accordance with the provisions authorizing such distributions. Specifically the guidance directs states to provide the following information:

- For Title I programs, a description of the polices for distributing funds to local areas for Youth, Adult, and Dislocated Worker programs
- For Title II, a description of the competitive grant process that ensures both effectiveness of programs and equitable access to eligible providers
- For Title IV, a description of the manner in which funds are distributed across agencies if a separate agency administers services for the blind

Distribution of Funds for Title I

EDD follows all applicable statutory requirements in determining the in-state distribution of funds for Title 1 youth, adult, and dislocated worker programs. Tables 1-4 on the pages that follow detail the methodology utilized for funds distribution.

### Definition, Source, and Method of Calculating Factors for PY 2016-17 Within State Allocations of Workforce Innovation and Opportunity Act (WIOA) Funds YOUTH ACTIVITIES

**Table 1**

<table>
<thead>
<tr>
<th>WIOA PLAN PROVISIONS</th>
<th>UNEMPLOYMENT IN AREA OF SUBSTANTIAL UNEMPLOYMENT</th>
<th>EXCESS UNEMPLOYMENT</th>
<th>DISADVANTAGED YOUTH</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIOA 2014 LAW Chapter 2, SEC. 127 (b)(1)(C)(ii)</td>
<td>33 1/3 percent of the funds distributed on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each Local Area, compared to the total number of unemployed individuals in areas of substantial unemployment in all Local Areas.</td>
<td>33 1/3 percent of the funds on the basis of the relative excess number of unemployed individuals in each Local Area, compared to the total excess number of unemployed individuals in all Local Areas.</td>
<td>33 1/3 percent of the funds on the basis of the relative number of disadvantaged youth in each Local Area, compared to the total number of disadvantaged youth in all Local Areas.</td>
</tr>
<tr>
<td>DEFINITION Either:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. For any Local Area whose unemployment rate was 6.451 percent or above, total Local Area unemployment, OR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Unemployment in a subpart of the Local Area comprised of one or more census tracts whose combined data meet the following criteria:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i. Population of 10,000 persons or more</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ii. Unemployment rate of 6.451 percent or more</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>iii. Contiguous (i.e., tract boundaries must touch)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The greater of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. The number of unemployed individuals in the Local Area less 4.5 percent of total Local Area labor force, OR</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. The number of unemployed individuals in the Local Area ASU less 4.5 percent of total Local Area ASU labor force</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>But not less than zero. If both of the differences in A and B are less than zero, the factor value is zero.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Persons residing in the Local Area who are in poverty or below 70% of lower living standard income level (LLSIL), between the ages of 16 to 21 years, excluding members of the armed forces and those attending college and not in the labor force.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### TIME PERIOD OF DATA
In every case, factors are based on the most current data available in time to meet legislatively-mandated allocation milestones.

<table>
<thead>
<tr>
<th>TIME PERIOD OF DATA</th>
<th>Unemployment and unemployment rate</th>
<th>Labor force and unemployment</th>
<th>Disadvantaged youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>PY 2016-17</td>
<td>Average of estimates for 12 months ending June of the year before the first calendar year of the upcoming program year. All data are on the benchmark effective at the time of the release of June estimates, the benchmark date is March of the preceding year.</td>
<td>Average of estimates for 24 months ending December of the year before the first calendar year of the upcoming program year. All data are on the benchmark effective at the time of the release of December estimates, the benchmark date is March of the preceding year.</td>
<td>American Community Survey five year moving average estimates from 2009 - 2013.</td>
</tr>
<tr>
<td>Population, census shares and census tract boundaries:</td>
<td>The census on which official labor force estimates for sub county areas are based.</td>
<td>The census on which official labor force estimates for sub county areas are based.</td>
<td>PY 2016-17, Income reported in American Community Survey.</td>
</tr>
<tr>
<td>METHODS</td>
<td>Unemployment and unemployment rate</td>
<td>Labor force and unemployment</td>
<td>Disadvantaged youth</td>
</tr>
</tbody>
</table>

**Constructing the ASU:**
Census tracts are selected to maximize unemployment in the ASU subject to the unemployment rate and population constraints.

1. The contribution or cost of adding a tract to the ASU is represented by the number of unemployed in the tract less 6.451 percent of the tract labor force.
2. Optimal ASU tracts are those where the cumulative sum of contributions or costs in descending order of unemployment rate is equal to or greater than zero. Summing accounts for rate and size tradeoffs and allows tracts with rates below the ASU threshold rate to be included.
3. Census tracts are mapped to check for contiguity. Optimal tract(s) that are not already contiguous are connected by bridging tracts.
4. The contribution or cost of adding noncontiguous optimal tracts and their bridging tracts are calculated as a unit and then compared to low-rate contiguous tracts. Tradeoffs are made until the unemployment rate in the ASU is near 6.451 percent without going under.
5. The total population of the chosen tracts is checked to ensure the total population meets the 10,000 threshold.

**Source of Data**

<table>
<thead>
<tr>
<th>Source of Data</th>
<th>Unemployment and unemployment rate</th>
<th>Labor force and unemployment</th>
<th>Disadvantaged youth</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. 2010 Census, Households only data.</td>
<td>2. 2010 Census, Households only data.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Definition, Source, and Method of Calculating Factors for PY 2016-17 Within State Allocations of Workforce Innovation and Opportunity Act (WIOA) Funds

**ADULT ACTIVITIES**

**Table 2**

<table>
<thead>
<tr>
<th>WIOA PLAN PROVISIONS</th>
<th>UNEMPLOYMENT IN AREA OF SUBSTANTIAL UNEMPLOYMENT</th>
<th>EXCESS UNEMPLOYMENT</th>
<th>DISADVANTAGED ADULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>WIOA 2014 Law Chapter 3, SEC. 132 (b)(1)(b)(ii)</td>
<td>( \frac{3}{3} ) percent of the funds distributed on the basis of the relative number of unemployed individuals in areas of substantial unemployment in each Local Area, compared to the total number of unemployed individuals in areas of substantial unemployment in all Local Areas.</td>
<td>( \frac{3}{3} ) percent of the funds distributed on the basis of the relative number of areas of substantial unemployment in each Local Area, compared to the total number of disadvantaged individuals in all Local Areas.</td>
<td>Persons residing in the Local Area who are in poverty or are below 70% of lower living standard income level (LLSIL), between the ages of 22 to 75 years, excluding members of the armed forces and those attending college and not in the labor force.</td>
</tr>
</tbody>
</table>

**DEFINITION**

Either:

A. For any Local Area whose unemployment rate was 6.451 percent or above, total Local Area unemployment, OR

B. Unemployment in a sub-part of the Local Area comprised of one or more census tracts whose combined data meet the following criteria:

i. Population of 10,000 persons or more.

ii. Unemployment rate of 6.451 percent or more.

iii. Census tracts not touching each other.

The greater of:

A. The number of unemployed individuals in the Local Area less 4.5 percent of total Local Area labor force, OR

B. The number of unemployed individuals in the Local Area ASU less 4.5 percent of total Local Area ASU labor force.

But not less than zero. If both of the differences in A and B are less than zero, the factor value is zero.

**TIME PERIOD OF DATA**

In every case, factors are based on the most current data available in time to meet legislatively-mandated allocation milestones.

- **Unemployment and unemployment rate:**
  - Average of estimates for the 12 months ending in June of the year before the first calendar year of the upcoming program year. All data are on the benchmark effective at the time of the release of June estimates, the benchmark date is March of the preceding year.
  - **PY 2016-17** average of estimates for 12 months ending June 2015, March 2015 benchmark.

- **Population, census shares and census tract boundaries:**
  - The census on which official labor force estimates for sub county areas are based.
  - **PY 2016-17** 2010 Census

- **Census shares and census tract boundaries:**
  - The census on which official labor force estimates for sub county areas are based.
  - **PY 2016-17** 2010 Census

- **METHODS**
  - Official methods set out by the U.S. Bureau of Labor Statistics. Varies by type of geography. (See appendix.)

- **Labor force and unemployment:**
  - Average of estimates for the 24 months ending in December of the year before the first calendar year of the upcoming program year. All data are on the benchmark effective at the time of the release of December estimates, the benchmark date is March of the preceding year.
  - **PY 2016-17** average of estimates for 24 months ending December 2015 (prelim), March 2015 benchmark as adjusted by BLS.

- **Disadvantaged adult:**
  - American Community Survey five year moving average estimates from 2009 - 2013.
  - **PY 2016-17** Income reported in American Community Survey.

**Constructing the ASU:**

Census tracts are selected to maximize unemployment in the ASU subject to the unemployment rate and population constraints.

**Constructing the ASU:**

1. The contribution or cost of adding a tract to the ASU is represented by the number of unemployed in the tract less 6.451 percent of the tract labor force.
2. Optimal ASU tracts are those where the cumulative sum of contributions or costs in descending order of unemployment rate is equal to or greater than zero. Summing accounts for rate and size tradeoffs and allows tracts with rates below the ASU threshold rate to be included.
3. Census tracts are mapped to check for contiguity. Optimal tract(s) that are not already contiguous are connected by bridging tracts.
4. The contribution or cost of adding noncontiguous optimal tracts and their bridging tracts are calculated as a unit and then compared to low-rate contiguous tracts. Tradeoffs are made until the unemployment rate in the ASU is as near 6.451 percent without going under.
5. The total population of the chosen tracts is checked to ensure the total population meets the 10,000 threshold.

**Source of Data**

2. 2010 Census, Households only data.

**Note:** In addition to factor data, allocation percentages are constrained to a minimum percentage as follows: Effective at the end of the second full fiscal year after the date on which the Local Area is designated, the Local Area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of...
the Local Area for the two preceding fiscal years. Amounts necessary for increasing such allocations to the Local Area to comply with the preceding sentence shall be obtained by reducing the allocations to be made to the Local Area whose formula allotment percentage exceeds 90 percent of the prior two year average. Chapter 3, SEC. 133 (b)(2)(A)(i)
**Definition, Source, and Method of Calculating Factors for PY 2016-17 Within State Allocations of Workforce Innovation and Opportunity Act (WIOA) Funds**

**DISLOCATED WORKER ACTIVITIES**

**Table 3**

<table>
<thead>
<tr>
<th>LOCAL AREA PLAN PROVISIONS</th>
<th>SHORT-TERM UNEMPLOYMENT INSURANCE PROGRAM CLAIMANTS</th>
<th>MID-TERM UNEMPLOYMENT INSURANCE PROGRAM CLAIMANTS</th>
<th>LONG-TERM UNEMPLOYMENT INSURANCE PROGRAM CLAIMANTS</th>
<th>LONG TERM CIVILIAN UNEMPLOYMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DEFINITION</strong></td>
<td>10 percent of the funds distributed on the basis of the relative number of short-term Unemployment Insurance Program claimants (defined below) in each Local Area, compared to the total number of short-term UI program claimants in all Local Areas.</td>
<td>30 percent of the funds distributed on the basis of the relative number of mid-term UI program claimants (defined below) in each Local Area, compared to the total number of mid-term UI program claimants in all Local Areas.</td>
<td>40 percent of the funds distributed on the basis of the relative number of long-term UI program claimants (defined below) in each Local Area, compared to the total number of long-term UI program claimants in all Local Areas.</td>
<td>20 percent based on long-term unemployment, which is determined by the percentage of UI claimants drawing 15 weeks or more of benefits and multiplying this by the total civilian unemployed in the Local Area relative to the number in all Local Areas.</td>
</tr>
<tr>
<td><strong>TIME PERIOD</strong></td>
<td>Number of claimants whose benefit year ended during the two calendar years preceding the first year of the upcoming program year.</td>
<td>1. Determine the distribution of UI claimants statewide by number of weeks of benefits paid. 2. Identify the duration in weeks that divides the distribution into three parts, short-term, mid-term, and long-term. 3. The number of UI claimants by Local Area in each duration category relative to the total number of UI claimants in each duration category among all Local Areas. All UI Program claimants, including but not limited to UI, federal civilian workers (UCFE), and military claimants (UCX).</td>
<td>The product of: 1) percentage of all UI claimants whose mailing address was within the Local Area who drew 15 weeks or more of benefits in a calendar year, and 2) total number of unemployed persons in the Local Area.</td>
<td>Average of estimates for the 24-months ending in December of the year before the first calendar year of the upcoming program year. All data are on the benchmark effective at the time of the release of December estimates; the benchmark date is March of the preceding year. PY 2016-17 average of estimates for 24-months ending December 2015, March 2014 benchmark as adjusted by BLS.</td>
</tr>
<tr>
<td><strong>METHODS</strong></td>
<td>Method was developed by Employment Development Department staff and was approved by the California Workforce Development Board.</td>
<td>A count of the number of weeks claimed by all UI Program claimants were determined using UI Program claimants whose benefit year ended during calendar years 2014 and 2015.</td>
<td>Using the UI claimant by duration data developed for claimant cohort methods, count the number of claimants who received benefits for 15 weeks or more.</td>
<td>Official methods set out by the U.S. Bureau of Labor Statistics. Varies by type of geography. (See appendix.)</td>
</tr>
</tbody>
</table>

**Note:** In addition to factor data allocation percentages are constrained to a minimum percentage as follows: Effective at the end of the second full fiscal year after the date on which the Local Area is designated, the Local Area shall not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the Local Area for the 2 preceding fiscal years. Amounts necessary for increasing such allocations to the Local Area to comply with the preceding sentence shall be obtained by reducing the allocations to be made to the Local Area whose formula allotment percentage exceeds 100 percent of the prior 2 year average. Chapter 3, SEC. 133(b)(2)(B)(iii)

Labor Market Information Division (LMID)
September 2015
Definition, Source, and Method of Calculating Factors for PY 2016-17 Within State Allocations of Workforce Innovation and Opportunity Act (WIOA) Funds

Official Methods for Calculating Labor Force Statistics by Geography

Table 4

**LOCAL AREA**

Local Area labor force statistics are the sum of labor statistics for the geographic areas included in the Local Area. The method of calculation varies by type of geography (i.e., cities and counties). For Local Area covering the balance of county, Local Area labor statistics are labor statistics for the county less the sum of labor statistics for all other Local Areas in the county.

**California and Los Angeles County**

Labor force statistics for Los Angeles County and the California balance of state (BOS) are estimated by a BLS Regression Model. The model is benchmarked to annual average data from the Current Population Survey (CPS). Inputs to the model are:

- Number of continued UI claims for California residents in the 7-week period preceding the week of the 12th.
- Wage and salary employment from the employer survey, for the pay period including the 12th of the month, benchmarked to the universe count of employment annually.
- Employment to population ratio and unemployment rate according to the household survey (CPS) concerning activities during the week of the 12th.
- Population controls are benchmarked to 2010 Census.

**Other counties**

Counties are apportioned model-estimated balance of state employment and unemployment according to the distribution of labor force statistics for counties estimated by the BLS Handbook Method. The method relies heavily on nationally observed trends and relationships; however, the following local data are used as input:

- Number of continued UI claims for California residents in the 7-week period preceding the week of the 12th.
- Local area wage and salary employment from a survey of local employers, for the pay period including the 12th of the month, benchmarked to the universe count of employment annually.
- Commute patterns data used to convert wage and salary employment by place of work into persons employed by place of residence.
- Ratios of all employment other than nonfarm wage and salary (including self-employment and agricultural employment) to total employment.

**Sub county areas, including cities and census tracts**

Estimates are made using the BLS Census Share Method. Cities and census tracts are apportioned county employment and unemployment in the current period according to the ratio of city or tract household employment and unemployment to county-level household employment and unemployment as of the 2010 Census.
Distribution of Funds for Title II

New and continuing agencies participated in an open competition in 2013–14 adhering to the twelve considerations in the WIA of 1998. Successful applicants were given the opportunity to continue to receive funds through a simplified reapplication process for 2014–15 and 2015–16. For the grant year of 2016–17, a new competitive application process will be executed adhering to the thirteen considerations in the WIOA, Title II: AEFLA, effective July 2014. This will be followed with a re-application process in years two and three. Only those grantees in good standing are allowed to reapply for continued funding.

The CDE uses 82.5 percent of the state allocation for local assistance grants. Local assistance grants and contracts are based on the following priorities: (1) populations with greatest need and hardest to serve, which includes adult learners who are performing below the eighth grade level, (2) populations performing at or above the eighth grade level, but who do not have a high school diploma or its equivalent, and (3) incarcerated adults or eligible adults residing in state hospitals who perform below the high school graduation level.

For leadership activities, the state allocates 12.5% to provide support for: (1) data and accountability, (2) technology and distance learning and, (3) professional development.

The CDE uses the considerations specified in section 231(e) of WIOA to fund eligible providers. Through an RFA process, agencies must provide narrative detail to demonstrate how they will meet each consideration. The CDE monitors successful applicants through a system of reviewing online deliverables and onsite visits for the following:

**Needs Assessment:** The degree to which the provider is responsive to (A) regional needs as identified in the local plan under section 108; and (B) serving individuals in the community who are identified in such plan as most in need of adult education and literacy activities, including individuals who have low levels of literacy skills and who are English language learners.

**Individuals with Disabilities:** The degree to which the provider is able to serve eligible individuals with disabilities, including eligible individuals with learning disabilities.
Past Effectiveness: The degree to which the provider demonstrates past effectiveness in improving the literacy of eligible individuals, to meet state-adjusted levels of performance for the primary indicators of performance described in section 116, especially with respect to eligible individuals who have low levels of literacy.

Alignment with One-Stop Partners: The degree to which the eligible provider is responsive to, and demonstrates alignment between, proposed activities and services and the strategy and goals of the local plan under section 108, as well as the activities and services of the One-Stop partners.

Intensity, Quality, and Instructional Practices: The degree to which the eligible provider’s program is of sufficient intensity and quality, and based on the most rigorous research available so that participants achieve substantial learning gains; and uses instructional practices that include the essential components of reading instruction.

Research-Based Educational Practices: The degree to which the eligible provider’s activities, including reading, writing, speaking, mathematics, and English language acquisition instruction, are based on the best practices derived from the most rigorous research available and appropriate, including scientifically valid research and effective educational practice.

Effective Use of Technology: The degree to which the eligible provider’s activities effectively use technology, services, and delivery systems, including distance education in a manner sufficient to increase the amount and quality of learning and how such technology, services, and systems lead to improved performance.

Integrated Education and Training: The degree to which the eligible provider’s activities offer learning in context, including through integrated education and training, so that an individual acquires the skills needed to transition to and complete postsecondary education and training programs, obtain and advance in employment leading to economic self-sufficiency, and to exercise the rights and responsibilities of citizenship.

Qualified Staff: The degree to which the eligible provider’s activities are delivered by well-trained instructors, counselors, and administrators who meet any minimum qualifications established by the state, where applicable, and who have access to high quality professional development, including through electronic means.

Partnerships and Development of Career Pathways: The degree to which the eligible provider’s activities coordinate with other available education, training, and social service resources in the community, such as by establishing strong links with
elementary schools and secondary schools, postsecondary educational institutions, institutions of higher education, Local Boards, One-Stop centers, job training programs, and social service agencies, business, industry, labor organizations, community-based organizations, nonprofit organizations, and intermediaries, for the development of career pathways.

**Flexible Schedules and Coordination with Support Services:** The degree to which the eligible provider’s activities offer flexible schedules and coordination with federal, state, and local support services (such as child care, transportation, mental health services, and career planning) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs.

**Data Collection:** The degree to which the eligible provider maintains a high-quality information management system that has the capacity to report measurable participant outcomes (consistent with section 116) and to monitor program performance.

**English Language Acquisition and Civics Education:** The degree to which the eligible provider has a demonstrated need for additional English language acquisition programs and civics education programs.

The CDE uses developed internal processes to ensure that there is direct and equitable access to the grant funds. All currently funded providers, public adult schools listed in the current *California Public School Directory*, and all other identified eligible agencies receive a grant or contract application notification by e-mail. This includes all known community-based organizations, community colleges, libraries, literacy councils, public housing authorities, and any other provider that is eligible pursuant to Section 203(5). An announcement is posted by February on the CDE funding profile website at [http://www.cde.ca.gov/fg/fo/af/](http://www.cde.ca.gov/fg/fo/af/). In addition to the general distribution of the sections 225 and/or 231 application notifications, CDE will post a notice of the availability of funding on the website maintained by OTAN. In addition, the CDE provides application information at conferences, workshops, and other activities attended by potential providers.

The CDE requires all eligible providers for sections 225 and/or 231 to use the same application process. This ensures that all applications are evaluated using the same rubric and scoring criteria. Statewide leadership activities are provided through contracted service providers in compliance with state contracting requirements. The CDE has also developed interagency agreements with the CDCR, Department of Developmental Services, and the CYA to provide the appropriate and necessary services for institutionalized adults.
The CDE ensures that all eligible providers have direct and equitable access to apply for grants or contracts. It also ensures that the same grant or contract announcement, application, and proposal process is used for all eligible providers. During the initial period of the grant submission process, any eligible agency that contacts CDE with an interest in participating will be provided the information needed. The CDE sends notification of availability of applications to all potential new adult education providers in the years when the RFA is open to new applicants. The CDE believes that these approaches meet the requirements specified in AEFLA and is satisfied that every effort is made to ensure direct and equitable access.
Distribution of Funds for Title IV

A state may be designated as a combined agency, which serves all individuals with disabilities in the state; a general agency, which serves all individuals with disabilities, except those who are blind or visually impaired; or as a state agency for the blind, which provide services only for individuals who are blind or visually impaired.

The DOR is designated as a combined agency and, therefore, does not administer its vocational rehabilitation program and disburse its funds to separate agencies.
Chapter 9: Summary and Concluding Remarks

California’s Strategic Workforce Development Plan: Skills Attainment for Upward Mobility; Aligned Services for Shared Prosperity was developed through collaborative partnerships with the following entities:

- Labor and Workforce Development Agency (Local Area)
- California Workforce Development Board (the State Board)
- California Community Colleges’ Chancellor’s Office (CCCCO)
- California Department of Education (CDE)
- California State Board of Education (SBE)
- Employment Development Department (EDD)
- Department of Rehabilitation (DOR)
- Department of Social Services (DSS)
- Health and Human Services Agency (HHS)
- Employment Training Panel (ETP)
- Governor’s Office of Business and Economic Development (Go-Biz)
- The California Workforce Association
- The California Welfare Directors Association

This state plan combines both federal and state planning mandates into a single document and serves as the state’s four year WIOA unified plan. This plan has three policy objectives:

- **Fostering “demand-driven skills attainment.”** Workforce and education programs need to align program content with the state’s industry sector needs so as to provide California’s employers and businesses with the skilled workforce it needs to compete in the global economy.

- **Enabling upward mobility for all Californians,** including populations with barriers to employment. Workforce and education programs need to be accessible for all Californians and ensure that everyone has access to a marketable set of skills and is able to access the level of education necessary to ensure economic self-sufficiency and security.

- **Aligning, coordinating, and integrating programs and services** to economize limited resources while also providing the right services to clients, based on each client’s particular and potentially unique needs so as to facilitate skills-attainment.

In furtherance of these policy objectives, the Secretary of Labor and Workforce Development, the State Board chair, and the community college chancellor have...
agreed to quantitative goals which the state will use to measure progress towards obtaining its policy objectives. Between 2017 and 2027, the state will produce a million middle-skill, industry-valued and recognized postsecondary credentials. During this time the state will also double the number of people enrolled in apprenticeship programs. The State Plan envisions achieving these goals by using seven program strategies:

- Sector strategies: aligning workforce and education programs with leading and emergent industry sectors’ skills needs.
- Career pathways: enabling of progressive skills development through education and training programs, using multiple entry and exit points, so that each level of skills development corresponds with a labor market payoff for those being trained or educated.
- Regional partnerships: building partnerships between industry leaders, workforce professionals, education and training providers, and economic development leaders to develop workforce and education policies that support regional economic growth.
- “Earn and learn”—using training and education best practices that combine applied learning opportunities with material compensation, while facilitating skills development in the context of actual labor market participation.
- Supportive services: providing ancillary services like childcare, transportation, and counseling to facilitate program completion by those enrolled in training and education courses.
- Creating cross-system data capacity: using diagnostic labor market data to assess where to invest, and also, the use performance data to assess the value of those investments.
- Integrated service delivery: braiding resources and coordinating services at the local level to meet client needs.

The role of state agency and state department plan partners under this plan is to provide policy direction, program oversight, support, and technical assistance for and to local and regional service providers covered by the plan who will partner at the regional and local level to implement the policy direction of the State Plan.

**Regional Plans and “Regional Sector Pathways”**

Regional plans and partnership required by WIOA will function under this State Plan as the primary mechanism for aligning educational and training provider services with regional industry sector needs. Regional efforts are expected to build upon the ongoing regional work taking place under the SlingShot Initiative.
Alignment at the regional level will be accomplished through the regional implementation of three of the seven policy strategies emphasized by the State Plan. These include sector strategies, career pathways, and organized regional partnerships. All three of these policies will be required under the regional planning guidance issued by the State Board to Local Boards organized into the regional planning units required under WIOA Section 106.

A primary objective and requirement of regional plans will be to work with community colleges and other training and education providers, including the state’s Adult Education Block Grant regional consortia to build “regional sector pathway” programs, by which we mean career pathway programs that result in the attainment of industry-valued and recognized postsecondary credentials aligned to regional industry workforce needs.

**Local Plans and American Job Centers of California**

Under the State Plan, the purpose of local workforce plans and partnerships is to facilitate access to workforce services at the local level.

Local workforce development plans will ensure a baseline level of WIOA core program alignment compliant with federal regulations at the local level, in and through the AJCCs, the state’s One-Stop system, so that program services are coordinated, and when appropriate, integrated to make accessible a menu of customizable services available to clients on the basis of client needs.

Under this State Plan and all relevant policies issued by the state concerning One-Stop design, operations, and partnerships, locals will be directed to operate One-Stops as an access point for programs that provide for “demand-driven skills attainment.” From this perspective, One-Stops will be operated as an “on ramp” or “gateway” to the “Regional Sector Pathways” programs either built-out or identified through the regional planning process described above.

**In Conclusion**

This is the initial draft of the State Plan. The plan is being provided to State Plan partners, stakeholders, and the public for comment. Following public comment, the Plan will be revised as appropriate.