



**Legislative Committee
October 30, 2019 Meeting Summary**

Committee members participating: Poncho Guevara (lead), Dennis Cima and Judy Miner
NOVA staff: Kris Stadelman and Eileen Stanly

I. Welcome and Review of Agenda

The Committee chair welcomed participants and reviewed the agenda.

II. Review 2019 State and Federal Legislative Landscape and the new State Future of Work Department

California Workforce Association Executive Director, Bob Lanter, was invited to attend the committee meeting and participated via phone. Highlights of the discussion included:

- The California Workforce Association (CWA) is a membership organization representing 45 local workforce development boards, community-based organizations, labor, chambers of commerce, and a variety of State associations. Its focus is capacity building through regional training, advocacy at the State and federal levels, and forging strategic partnerships.
- 2019 Federal Appropriations: Congress passed a short-term Continuing Resolution (CR) through November 21 to keep the government open. Another CR is likely to be passed through the end of December/early January. The House has already passed its version of a new CR at authorized levels, which will need to be negotiated down to match the budget levels approved previously. The impeachment proceedings will likely delay this process.
- Other Federal Legislation: The Higher Education Act is being debated. Senator Murray would like a comprehensive bill, but this may be delayed due to the retirement of the Health, Education, Labor and Pensions Committee chairman, Lamar Alexander. The Workforce Innovation and Opportunity Act is up for reauthorization in 2020 and, given the other priorities that Congress is tackling, it is unlikely that this will occur next year, although there may be some minor cleanup to address some issues with the legislation. TANF reauthorization is unlikely to occur next year.
- State Budget: There was a large investment approved for the Office of Statewide Planning and Development to develop workforce programs in mental health. CWA will be approaching the Office about future partnerships. Also, there was a large investment this year for early childhood learning.
- State Future of Work Commission: The State allocated \$2.5 million this year and \$2 million next year to fund nine positions in the Labor Agency that will be devoted to the transition of the new Future of Work department and support the recommendations of the Future of Work Commission. The Future of Work Commission is being staffed by Labor Secretary Julie Su, Director of the Governor's Office of Business and Economic Development (GO-BIZ) Lenny

Mendonca, and Senior Policy Advisor Lande Ajose. The Commission's mission: explore the future of work; aspire to create bold ideas for the future of work; and develop a blueprint for how to turn these bold ideas into reality. A progress report will be sent to the Governor in February.

- State Legislation:
 - AB 5: passed last session, will require that app-based business, which rely on contract employees for their business model, to treat their hired workers as employees that will entail providing them with benefits, among other new protections and rights. CWA is watching closely what the impact will be for workers and businesses. Companies are opposed to this new law and are exploring placing a measure on the ballot, returning to the legislature next session to correct this new law, filing a lawsuit, and pursuing a referendum. It's likely they will pursue the first three. About one-third of workers in Silicon Valley are on contract at tech companies. It is a misnomer to say that workers are choosing to be contract workers, because what they are hoping for is that the contract work will lead to full-time employment with benefits. The contract work is perceived as a safety net until the worker can become gainfully employed. What workers need is support instead of exploitation. It's about the future of work and the quality of work. Companies say that workers like this model and Labor says that workers want security and permanency. Both perspectives are inaccurate. Workers want supports, so they don't have to be tied to their jobs. Portable benefits would be helpful that can start with worker compensation benefits. To address issues such as this, it's about partnerships at the regional level. The workforce development community could be a convener and bring together different groups on a regional basis, which represent education, business, Labor, and community-based organizations, to tackle these issues. We can also explore introducing legislation next year that targets worker supports.
 - AB 23, vetoed last session, would better facilitate communication and partnerships between businesses, labor advocates, economic development and educational institutions to create more tailored workforce training programs. It may be revisited at a later date. A recommendation was made to move away from references to industry sectors, as training should focus on occupations given the overlap that one sector may have with other sectors.
 - AB 593, passed last session, would provide local boards, who are increasingly diversifying their funding, the ability to access State performance data regardless of whether the customer was served with WIOA funding or through other funding.
 - Next Session: At the request of the local boards, CWA will explore new legislation that would help to alleviate regulatory barriers that have become burdensome to local boards and to provide tax incentives for businesses to hire individuals with barriers to employment that include homelessness. CWA will also be working with the State to improve partnerships and to engage in high-level discussions that will also seek to lift regulatory burdens.
- New Future of Work Department: A new department will be formed, called the Future of Work Department, that will consolidate the Employment Training Panel, Department of Apprenticeship Standards, EDD-workforce services and labor market data, and the California Workforce Development Board. The new department will be divided into several units: Job Seeker Services, Business Engagement, Innovation and Research, Performance and Policy, and Grant Management. This new department will be housed in the Labor Agency and overseen by the new Under Secretary Stewart Knox, with the new director of the department expected to be Tim Rainey. Plans for the new department will be rolled out in January with the

new department finalized by June 2020. The hope is that this new department will address the discrepancies local boards have faced between State policy, grants management and monitoring. There are no details to date about Rapid Response and there is some concern that this new department will impact local Rapid Response funding.

- **Regional Workforce Policy:** While it is important that local boards reach across borders to partner on a variety of issues, the State’s approach to mandate regional collaboration has been problematic in a variety of ways: 1) The State Board has required that each region has a fiscal agent, which is unnecessary and creates liability issues. Other state departments provide local agencies with the flexibility to choose what process they wish to select to receive funding that should be a model for the State Board; 2) Currently, the geography that defines the boundaries of local regions has been based on flawed reasoning and limited data and should be more fluid; and 3) Regional investment needs to address regional challenges. Funding to implement local and regional plans should be targeted to better serve the customer. Local and regional plans that are submitted to the State are based on what the State requires in the plans and not about local/regional needs.
- **State High Road/Quality Jobs Initiative:** There are four pillars to quality jobs: 1) Equity/Economic Opportunity; 2) Climate Change-ensure that communities are built around sustainability to address climate change and that this occurs across industries; 3) job quality and skill solutions are shared problems and should include the worker voice; and 4) use regions to ensure a common approach across disciplines-community development, land use, etc.
- **CWA wants to push the State on the issues outlined above but often finds itself at odds with the State.** It is difficult to reconcile wanting to get a particular piece of legislation through or advocating for policy/regulatory changes, while at the same time wanting to remain competitive for grants issued by the State. In the coming year, CWA will also explore more regional discussions on issues of shared concern. A recommendation was made to capitalize on the power of the entire Bay Area.
- **In response to the question of how can the NOVA Board help:** 1) When a piece of legislation is introduced that would benefit the local workforce development community, seek support from your local elected officials; and 2) when it is necessary to have conversations at the local level about shared issues, convene key stakeholders that should included in these discussions.

III. Future Legislator and Other Decision-Maker Visits

NOVA is hosting a visit from Gloria Young from the State Board, who will be participating in a new Board member orientation that will provide her with an opportunity to understand how local board’s function, the innovative services that NOVA provides and the future potential of the local workforce development system. In the coming year, NOVA will also pursue a visit from the new Labor Secretary Julie Su.

IV. Wrap-up/Next Steps

In the coming year, the committee will be tracking the issues and proposed legislation discussed during the meeting and host visits from key decision-makers that can serve as an education opportunity for stakeholders, as well as a catalyst to promote conversation and solutions to address the needs and concerns of the local workforce development community.