

TO: Workforce Investment Board

DATE: 10/07/11

FROM: Executive Committee

For Discussion

THROUGH: WIB Staff

For Action

For Information

SUBJECT: Advocacy – Opposition and Veto request for Senate Bill 734

PROPOSED MOTION(S): For Discussion.

DISCUSSION: The Merced County Board of Supervisors submitted opposition letters to Senator Cannella and Assembly Member Galgiani along with a Veto request to the Governor for Senate Bill 734. The letters are attached along with Senator Cannella’s e-mail response.

Senate Bill (SB) 734, introduced by Senator DeSaulnier, would require local workforce investment boards to spend a certain percentage of available federal funds for adults and dislocated workers on workforce training programs in a manner consistent with federal law, as prescribed, and would allow the boards to leverage specified funds to meet the funding requirements, as specified. SB 734 requires local WIBs to increase spending of their Adult and Dislocated Workers Fund on quality programs and services that provide workers with job training. This bill requires spending 25% of the federal WIA funds (beginning program year 2012) on direct training services, including specified activities. This amount increases to 30% beginning in program year 2016 and thereafter.

The California Workforce Association held an “oppose” view on this bill and a similar bill recently defeated (SB 776) at the Capital. Among other reasons, this bill, similar to SB 776 limits local flexibility (a major tenet of the Workforce Investment Act of 1998), impedes the ability of Workforce Investment Boards to support the delivery of an array of services needed by area residents as identified in the local plans, and diminishes the capacity to assist businesses in averting layoffs and/or hiring needs.

Currently the bill passed the Senate and the Assembly on September 9, 2011 and is awaiting the Governor’s consideration. The Governor has until October 9, 2011 to act on this bill.

ATTACHMENT(S): Merced County Board of Supervisors Letters requesting Opposition and Veto of SB 734, Senator Cannella’s e-mail response



September 14, 2011

The Honorable Jerry Brown
Governor of the State of California
State Capitol
Sacramento, CA 95814

Dear Governor Brown:

The Merced County Board of Supervisors respectfully requests that you veto SB 734.

This bill is in direct conflict with the provisions of Public Law 105-220, the federal Workforce Investment Act of 1998 (WIA), which provides funding for employment related services through One-Stop Career Centers. It also is in direct conflict with statements you've made about aligning services at the local level to meet local community needs. Cost of implementation of the bill has been estimated to be \$6.8 to \$10 million dollars.

This bill prescribes that a percentage of funding be dedicated to training. Chief Elected Officials, in consultation with Local Workforce Investment Boards, are statutorily provided the authority to determine the mix of services provided in their areas, based on local labor market demands and needs.

During this recession, with over 500,000 Californians exhausting their unemployment insurance benefits (UI), losing their homes, and dignity, many people just want to get back to work! WIA was designed to be a demand driven system. Overwhelmingly, current customer demand is for services that lead to immediate employment. **The recently introduced American Jobs Act would mandate that all emergency UI compensation recipients receive services through the One-Stop Career Centers, placing an even greater demand for core and intensive services; which would be reduced if this bill passes.**

Section 663.320 of the Federal Code of Regulations stipulates that

- (a) WIA funding for training is limited to participants who:
- (1) Are unable to obtain grant assistance from other sources to pay the costs of their training; or
 - (2) Require assistance beyond that available under grant assistance from other sources to pay the costs of such training. Program operators and training providers must coordinate funds available to pay for training as described in paragraphs (b) and (c) of this section.
- (b) Program operators must coordinate training funds available and make funding arrangements with One-Stop partners and other entities to apply the provisions of paragraph (a) of this section. **Training providers must consider the availability of other sources of grants to pay for training costs such as Welfare-to-Work, State-funded training funds, and Federal Pell Grants, so that WIA funds supplement other sources of training grants.**

Board of Supervisors

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Supervisor, District One

Hubert "Hub" Walsh, Jr.
Supervisor, District Two

Linn Davis
Supervisor, District Three

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Supervisor, District Four

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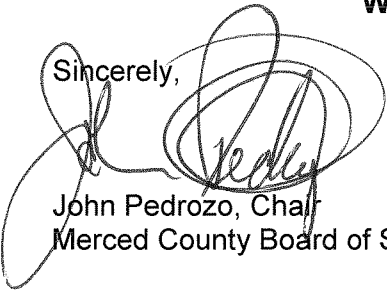
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Letter to Governor Brown
September 14, 2011
Page Two

- (c) A WIA participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the One-Stop operator has made arrangements with the training provider and the WIA participant regarding allocation of the Pell Grant, if it is subsequently awarded. In that case, **the training provider must reimburse the One-Stop operator the WIA funds used to underwrite the training** for the amount the Pell Grant covers. Reimbursement is not required from the portion of Pell Grant assistance disbursed to the WIA participant for education-related expenses. (WIA sec.134(d)(4)(B).)

WE RESPECTFULLY URGE YOUR VETO OF SB 734.

Sincerely,

A handwritten signature in black ink, appearing to read "John Pedrozo", is written over a large, circular scribble.

John Pedrozo, Chair
Merced County Board of Supervisors

cc: Andrea Baker, Director, Merced County Department of Workforce Investment



September 7, 2011

The Honorable Anthony Cannella
State Capitol, Room 3048
Sacramento, CA 95814

Subject: Opposition to SB 734 (DeSaulnier), previously SB 776

Dear Senator Cannella:

The Board of Supervisors of the County of Merced is opposed to SB 734 (DeSaulnier), previously SB 776, which failed to move out of the Assembly Appropriations Committee on August 17th.

This bill is in direct conflict with the provisions of Public Law 105-220, the federal Workforce Investment Act of 1998 (WIA), which provides funding for employment related services through One-Stop Career Centers.

This bill prescribes that a percentage of funding be dedicated to training. Chief Elected Officials, in consultation with Local Workforce Investment Boards, are statutorily provided the authority to determine the mix of services provided in their areas, based on local labor market demands and needs.

During this recession, with nearly 500,000 Californians exhausting their unemployment insurance benefits, losing their homes, and dignity, many people just want to get back to work! WIA was designed to be a demand driven system. Overwhelmingly, current customer demand is for services that lead to immediate employment.

Section 663.320 of the Federal Code of Regulations stipulates that *"use of WIA funding for training purposes is limited to those who:*

- 1) *Are unable to obtain grant assistance from other sources to pay the costs of their training; or*
- 2) *Require assistance beyond that available under grant assistance from other sources to pay the costs of such training. Program operators and training providers must coordinate funds available to pay for training as described in paragraphs (b) and (c) of this section.*
 - b) *Program operators must coordinate training funds available and make funding arrangements with One-Stop partners and other entities to apply the provisions of paragraph (a) of this section. **Training providers must consider the availability of other sources of grants to pay for training costs such as Welfare-to-Work, State-funded training funds, and Federal Pell Grants, so that WIA funds supplement other sources of training grants.***
 - c) *A WIA participant may enroll in WIA-funded training while his/her application for a Pell Grant is pending as long as the One-Stop operator has made arrangements with the training provider and the WIA participant regarding allocation of the Pell Grant, if it is subsequently awarded. In that case, **the training provider must reimburse the One-Stop operator the***

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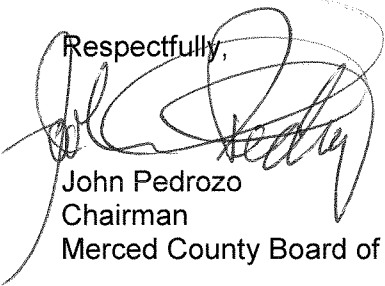
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WIA funds used to underwrite the training for the amount the Pell Grant covers. Reimbursement is not required from the portion of Pell Grant assistance disbursed to the WIA participant for education-related expenses. (WIA sec.134(d)(4)(B).)”

PROTECT THE CHOICE OF YOUR CONSTITUENTS – VOTE NO!!

For these reasons, the County of Merced opposes SB 734. If you have any questions, please contact Andrea Baker at (209) 724-2002 or abaker@co.merced.ca.us .

Respectfully,

A handwritten signature in black ink, appearing to read 'John Pedrozo', is written over the word 'Respectfully,'.

John Pedrozo
Chairman
Merced County Board of Supervisors

cc: Andrea Baker, Director, Merced County Department of Workforce Investment



September 7, 2011

The Honorable Cathleen Galgiani
State Capitol
PO Box 942849
Sacramento, CA 94249-0017

Subject: Opposition to SB 734 (DeSaulnier), previously SB 776

Dear Assembly Member Galgiani:

The Board of Supervisors of the County of Merced is opposed to SB 734 (DeSaulnier), previously SB 776, which failed to move out of the Assembly Appropriations Committee on August 17th.

This bill is in direct conflict with the provisions of Public Law 105-220, the federal Workforce Investment Act of 1998 (WIA), which provides funding for employment related services through One-Stop Career Centers.

This bill prescribes that a percentage of funding be dedicated to training. Chief Elected Officials, in consultation with Local Workforce Investment Boards, are statutorily provided the authority to determine the mix of services provided in their areas, based on local labor market demands and needs.

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Respectfully,



John Pedrozo
Chairman
Merced County Board of Supervisors

cc: Andrea Baker, Director, Merced County Department of Workforce Investment

From: Senator.Cannella@senate.ca.gov [<mailto:Senator.Cannella@senate.ca.gov>]

Sent: Thursday, September 29, 2011 10:56 AM

To: Baker, Andrea

Subject: From Senator Anthony Cannella re: SB 734 Oppose

Dear Merced County Supervisors,

Thank you for contacting my office regarding your opposition to SB 734 (previously SB 776) by Senator Mark DeSaulnier, which would direct local workforce investment boards to spend an increased percentage of federal Workforce Investment Act dollars on direct job training and supportive services.

Like you, I also believe strongly in local control; to me, local workforce investment boards, rather than the state, are best positioned to determine how federal Workforce Investment Act funding is used. That's the reason why I voted against SB 734 and SB 776 earlier this year. Unfortunately, however, the measure did pass the Legislature and advanced to the governor's desk. Governor Brown has until October 9 to sign or veto this measure, and I encourage you to contact his office to express your opposition to this bill. To weigh in on this measure, you may visit the Governor's Office website at www.gov.ca.gov or call his Sacramento office at (916) 445-2841.

In the meantime, please know that I very much appreciate your engagement in our state's policy-making process, and I value your input on the issues most important to you. Thanks again for getting in touch.

Sincerely,

Anthony Cannella
State Senator, 12th District