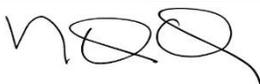




# The Board of Governors of the California Community Colleges

PRESENTED TO THE BOARD OF GOVERNORS

DATE: March 20, 2017

SUBJECT: 2017-18 Expenditure Plan – Workforce & Economic Development		Item Number: 2.3	
		Attachment: No	
CATEGORY:	Workforce & Economic Development	TYPE OF BOARD CONSIDERATION:	
Recommended By:	 Van Ton-Quinlivan, Vice Chancellor	Consent/Routine	
		First Reading	
Approved for Consideration:	 Eloy Oakley, Chancellor	Action	X
		Information	

**ISSUE:** This item presents the annual expenditure plan of the Workforce and Economic Development Division to the Board of Governors for approval. Seven funding streams are included in the expenditure plan:

- Strong Workforce Program
- Senate Bill 1402 Economic and Workforce Development program
- California Apprenticeship Program
- Carl D. Perkins Career and Technical Education Act of 2006 (federal)
- Proposition 39 Clean Energy Jobs Act
- Nursing Program, and
- AB 104 Adult Education Block Grant.

**BACKGROUND:** California’s economic competitiveness is fueled, in part, by the strength of its regional economies and its skilled workforce. Upward social and economic mobility helps keep the state’s economy diversified and vibrant. The attainment of industry-valued “middle skill credentials” serves as a gateway for a large and diverse number of careers in the state’s economy. *(Background cont.)*

**RECOMMENDATION:** It is recommended that the Board of Governors approve the 2017 - 2018 expenditure plan of the Workforce and Economic Development Division.

***(Background cont.)***

The programs of the Workforce and Economic Development Division (WEDD) bridge the skills and jobs mismatch and prepare California’s workforce for the 21<sup>st</sup> century. WEDD collaborates with employers, organized labor, local communities, their community colleges, and other education providers through programming supported by these funds to supply in-demand skills for employers, create relevant career pathways and stackable credentials, promote student success, and get Californians into open jobs under the unifying framework entitled “Doing What Matters for Jobs and the Economy.”

The vast majority of the funds administered by WEDD are competed as grants through a Request for Application process, at which time the details of each award are determined. Awards over the \$100,000 threshold require Board of Governors approval before execution. All awards are subject to availability of funds. The following table identifies the source and amount of each funding stream.

Strong Workforce Program	SB 1402: Economic and Workforce Development	Apprenticeship Program	Carl D. Perkins (Federal)	Proposition 39: Clean Energy Jobs Act	Nursing Program	AB 104: Adult Education
\$248,000,000	\$22,929,000	\$54,800,000	\$58,439,861	\$4,700,000	\$13,378,000	\$500,000,000

Below is a brief discussion of the statutory intent of each of the funding program.

**STRONG WORKFORCE PROGRAM**

Strong Workforce Program	\$ 248,000,000
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The Strong Workforce Program is established for the purpose of expanding the availability of quality community college career technical education and workforce development courses, programs, pathways, credentials, certificates, and degrees. The statute provides the following intent language:

- (1) California’s economic competitiveness is fueled, in part, by the strength of its regional economies and its skilled workforce.
- (2) Upward social and economic mobility helps keep the state’s economy diversified and vibrant.
- (3) The attainment of industry-valued “middle skill credentials” serves as a gateway for a large and diverse number of careers in the state’s economy.

(4) California’s local educational agencies, community college districts, interested public four-year universities, local workforce development boards, economic development and industry leaders, and local civic representatives should collaboratively work together to inform the offerings of courses, programs, pathways, and workforce development opportunities that enable students to access the current and future job market and further social and economic mobility.

The enabling statute states the intent to align the planning cycles as well and metrics of the Strong Workforce Program with the federal Workforce Innovation and Opportunity Act.

The dollars, after putting aside 5% for state leadership and coordination, are made available in the form of local shares (60%) and regional shares (40%). Local shares are distributed directly to districts, who must submit plans for their use. Visit <http://bit.ly/2mqhA3R> to view recent submissions. For regional shares of funds, each region’s consortia of community colleges is to submit a plan to the chancellor’s office that includes an analysis of regional labor market needs informed by an economic analysis. Regional plans are posted at <http://bit.ly/2mC8eyH>.

#### **Senate Bill 1402: ECONOMIC AND WORKFORCE DEVELOPMENT PROGRAM**

SB 1402: Economic and Workforce Development Program	\$ 22,929,000
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Senate Bill 1402, the Economic and Workforce Development program, allocates funding for programs that target investments in priority and emergent sectors. The proposed 2017-18 budget extends the legislation through 2023. The mission for the Economic and Workforce Development program is as follows:

- To advance California’s economic and jobs recovery and sustain economic growth through labor market-aligned education workforce training services, and sector strategies focusing on continuous workforce improvement, technology deployment, and business development, to meet the needs of California’s competitive and emerging industry sectors and industry clusters;
- To use labor market information to advise the Chancellor’s Office and regional community college bodies on the workforce needs of California’s competitive and emerging industry sectors and industry clusters;
- To provide technical assistance and logistical, technical, and communications infrastructure support that engenders alignment between the career technical education programs of the community college system and the needs of California’s competitive and emerging industry;
- To collaborate and coordinate investment with other state, regional, or local agencies involved in education and workforce training in California;
- To identify, acquire, and leverage community college and other financial and in-kind public and private resources to support economic and workforce development and the career technical education programs of the state’s community colleges;
- To work with representatives of business, labor, and professional trade associations to explore and develop alternatives for assisting incumbent workers in the state’s competitive and emerging industry sectors.

The Annual report can be found at:

[http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/EWDReport\\_2016\\_ADA\\_V2.pdf](http://californiacommunitycolleges.cccco.edu/Portals/0/Reports/EWDReport_2016_ADA_V2.pdf)

### **CALIFORNIA APPRENTICESHIP PROGRAM**

California Apprenticeship Program	Related and Supplemental Instruction \$39,800,000	California Apprenticeship Initiative \$15,000,000	Total \$54,800,000
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The California Budget Act of 2017-18 proposes \$54,800,000 in proposition 98 (General Fund) of which \$39,800,000 is allocated directly to community college districts and other local educational agencies to reimburse Related and Supplemental Instruction. \$15,000,000 supports the development of new and innovative apprenticeship programs through the California Apprenticeship Initiative through competitive grants.

The California community colleges enroll approximately 25,000 apprentices, in over 160 apprenticeship programs, comprised of a total of 66 trades/crafts, and, located on 39 campuses statewide. Apprentices receive on-the-job training via their employer, and attend classes on the practices and theory of their trade.

Employers are an integral part of apprenticeship programs and pay the majority of the training costs incurred to bring an apprentice up to speed and become proficient in their trade or craft. Apprentice's placement within a trade are typically three to five years in length. An apprentice can earn a certificate or an Associate of Arts or Associate of Science degree in many of the Related and Supplemental Instruction apprenticeship programs. More information can be found at <http://bit.ly/2maykvE>.

### **FEDERAL CARL D. PERKINS TECHNICAL EDUCATION ACT**

Carl D. Perkins (Federal)	State Leadership \$ 6,169,749	Local Assistance \$ 52,270,112	Total \$ 58,439,861
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The purpose of the Carl D. Perkins Technical Education Act is to develop more fully the academic/career and technical skills of secondary education students and postsecondary education students who elect to enroll in career and technical education programs, by:

- Building on the efforts of States and localities to develop challenging academic and technical standards and to assist students in meeting such standards, including preparation for high skill, high wage, or high demand occupations in current or emerging professions;
- Promoting the development of services and activities that integrate rigorous and challenging academic and career and technical instruction, and that link secondary

education and postsecondary education for participating career and technical education students;

- Increasing State and local flexibility in providing services and activities designed to develop, implement, and improve career and technical education, including tech prep education;
- Conducting and disseminating national research and disseminating information on best practices that improve career and technical education programs, services, and activities;
- Providing technical assistance.

Federal funds under the Perkins Act flow to the California Department of Education, and are divided between secondary and postsecondary education through an Interagency Agreement. Funding is determined by formula based upon the number of Career Technical Education enrollments at each college. Eighty-five percent of the funds must go directly to the community colleges as local assistance funds. Five percent of the funds may be used by the Chancellor’s Office for State administrative activities, and ten percent of Perkins funding is used for state leadership activities for professional development in areas that support nontraditional training and employment, and improve the academic, and vocational and technical skills of students through the integration of academics with vocational and technical education.

#### **PROPOSITION 39 CLEAN ENERGY JOBS ACT**

Proposition 39: Clean Energy Jobs Act	\$ 4,700,000
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The California Clean Energy Jobs Act, approved by voters as Proposition 39, allocates funds to the Jobs Creation fund for the purpose of supporting projects that create jobs in California to improve energy efficiency and expand clean energy generation. A portion of the funding is allocated to provide for job training and workforce development and public-private partnerships for eligible projects.

The majority of the funding will be distributed through a Request for Application process designed to align with the Doing What MATTERS for jobs and the economy framework already in place. The Request for Application will focus on regional funding to supply in-demand skilled workers for employers, create relevant career pathways and stackable credentials, promote student success while building and leveraging existing job placement systems to connect college students to jobs.

The program requires a focused collaboration with other agencies to braid their workforce investment funding with this funding. These agencies include the California Workforce Investment Board, California Conservation Corps, the Division of Apprenticeship Standards, the Employment Development Department, and the California Department of Education. More information can be found at <http://bit.ly/2mHTVrC>.

## NURSING PROGRAM

Nursing Program	Enrollment Growth \$ 8,475,000	Attrition Reduction \$ 4,903,000	Total \$ 13,378,000
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The proposed state budget allocates \$13,378,000 funding for community college nursing programs. Of the budgeted funds, \$8,475,000 will be allocated for enrollment growth and \$4,903,000 will be allocated for assessment, remediation, and retention. Senate Bill 1309 (Stats. 2006, Ch. 837) provided specific criteria to address the reduction of attrition in community college nursing programs so as to implement and maintain assessment/readiness testing for colleges with nursing programs that have attrition rates greater than 15 percent. This funding increased the capacity of the nursing programs to 2,180 additional enrollment slots. The Chancellor's Office conducts a noncompetitive grant application process to award grants for a two year fiscal cycle. The Annual Report can be found at <http://bit.ly/2lIC3BZ>.

## ADULT EDUCATION BLOCK GRANT

AB 104: Adult Education Block Grant	\$500,000,000
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Assembly Bill (AB) 104, Section 39 (Chapter 13, Statutes of 2015) established the Adult Education Block Grant under the administration of the California Community Colleges Chancellor's Office (CCCCO) and the State Department of Education (CDE). The Governor's budget proposes to appropriate \$500 million in funding for this program. Seven areas are supported by these funds:

1. Programs in elementary and secondary basic skills, including programs leading to a high school diploma or high school equivalency certificate;
2. Programs for immigrants eligible for educational services in citizenship, English as a second language, and workforce preparation;
3. Programs for adults, including, but not limited to, older adults, that are primarily related to entry or reentry into the workforce;
4. Programs for adults, including, but not limited to, older adults, that are primarily designed to develop knowledge and skills to assist elementary and secondary school children to succeed academically in school;
5. Programs for adults with disabilities;
6. Programs in career technical education that are short term in nature and have high employment potential; and
7. Programs offering pre-apprenticeship training activities conducted in coordination with one or more apprenticeship programs approved by the Division of Apprenticeship Standards for the occupation and geographic area.

The Annual Report can be found at <http://bit.ly/2lINHNI>.