



April 11, 2016

The Honorable Eduardo Garcia, Chair
Assembly Committee on Jobs, Economic Development
and the Economy
State Capitol
Sacramento, CA 95814

RE: AB 2642/SUPPORT

Dear Assembly Member Garcia:

The California Workforce Association (CWA) is pleased to write to in strong support of your AB 2642, legislation designed to help those facing barriers to employment and participation in the economy. The California Workforce Association is the premier organization for providing capacity building, leveraging partnerships, and facilitating dialogue to strengthen the Local Workforce System in the state. We estimate that our 48 local Workforce Development Boards/members served over 1 million customers and tens of thousands of businesses over the last year.

Poverty has become one of our state's largest problems. Those existing at poverty levels face barriers to participation in California's workforce, and the walls are higher for those who are less educated and lacking skills. Some of the data on California's poverty problem are cited in the following:

- ✓ The poverty rate in California is 23.4 percent, though it is higher for children (25.1 percent), high school dropouts (53.9 percent) and those with only a high school diploma (33.2 percent). (Stanford Center on Poverty & Inequality, "Why Is There So Much Poverty In California?")
- ✓ 4.5 Million Californians over the age of 25 have an "educational attainment" of less than high school graduation. (American Community Survey, 2010-2014.)
- ✓ 823,000 families in California earn less than \$15,000 annually. (American Community Survey, 2010-2014.)
- ✓ 2 in 5 households headed by single mothers who work full time are below the Real Cost Measure. (United Way, 2015.)
- ✓ 26% of Latinos, 25% of African-Americans, and 24% of Native Americans live under poverty level (American Community Survey, 2010-2014.)

- ✓ 4.8% of adults in California have a serious mental illness (California Health Care Almanac, July 2013)

While California certainly provides aid for subsistence and programs aimed at helping people gain education through community college and career technical education initiatives, as well as federally-authorized workforce development activities, funding cuts in the recent decade and performance standards have had an effect of leaving behind certain populations. Some examples of the populations falling under the radar of the systems available include:

- Youths who are disconnected from education or employment;
- Displaced and long-term unemployed workers;
- Soon-to-be and formerly incarcerated;
- Veterans who face skills, health and other barriers;
- People with developmental or other disabilities;
- Unskilled or under-skilled, low wage earners who might wish to advance to better-paying employment opportunities;
- Migrant and seasonal farmworkers and their families;
- Native Americans;
- Women seeking education or training to move into non-traditional fields of employment;
- Single parents who need help in navigating all aspects of their lives that keep them from self-improvement and participation;
- CalWORKS participants; and
- Many others.

Studies show, but it is also obvious, the longer these populations stay in poverty without the tools to move forward, the harder the drag will be on the State Budget and on our ability to have a ready-and-waiting workforce to fill all levels of jobs required in the economy.

- In a study last year, the Centre for Economic Research calculated that unfilled job openings cost U.S. businesses \$180 billion per year.
- According to the National Skills Coalition and the National Community Survey, there are projected to be 4.4 million job openings for middle skill employees in the next ten years.
- The cost to state and local governments in welfare dollars is over \$36 billion per year.

While Workforce Development Boards are federally-authorized and funded for the purpose of meeting the needs of workers and employers in regions throughout California, the emphases of performance indicators and the dearth of adequate funding has resulted in some of these populations being left behind, with no real tools for education, skills attainment and upward movement toward opportunity.

AB 2642 addresses by calling for the formation of local partnerships between/among Workforce Development Boards (WDBs) and community-based organizations (CBOs) for the purpose of grants implemented by the State's Labor Agency to fund strategies and direct services directly aimed at the needs of these "below-the-radar" populations on a local, regional or state-wide basis designed

to remove the barriers each faces in getting into the mainstream systems that can move them upward.

These populations can exist in a consistent way throughout the state; other times, they exist in localized pockets. The structure of AB 2642 allows flexibility for proposals to address either, but in a way that ensures that WDBs and CBOs are maximizing their resources to prepare participants for ultimate success---that of removing barriers and providing education and/or skills necessary for participants to move into apprenticeships, community college, career pathways, and other traditional employment programs resulting in living wage jobs and professions.

There is no question that this population exists. That is validated by the data and the experiences of WDBs and CBOs with which we have been partnering on this legislation. It is also clear they are being left behind by current efforts. If we don't reach out through a vehicle like your "Removing Barriers to Employment Act," we fear that we will doom a generation of people to not only not being able to climb the ladder upward, they will never even know the ladder was there.

All of the 48 members of the California Workforce Association stand ready to assist you in this effort, and we are pleased to learn there is already bipartisan recognition and support of the problem and need to address it.

If we may be of further assistance, please do not hesitate to contact our lobbyists, Carl London and Tony Gonzalez of Rose & Kindel/Grayling at (916) 441-1034, ext. 2615, or me or Nick Loret de Mola at (916) 325-1610.

Thank you for your leadership and consideration in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Lanter". The signature is stylized with a large initial "B" and a long, sweeping underline.

Bob Lanter
Executive Director

cc: Honorable Members, Assembly JEDE Committee
Toni Symonds, Chief Consultant, JEDE Committee
Julia King, Assembly Republican Caucus
Adam Peck, CWA President
Jason Buckingham, CWA GAC Chair
Carl London/Tony Gonzalez, Rose & Kindel/Grayling
Nick Loret de Mola, CWA