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The 2021-22 May Revision— Overview and Analysis of Workforce Development Proposals



LEGISLATIVE ANALYST'S OFFICE

Governor's Workforce Proposals

Governor Has Many Workforce Development Proposals

- 35 proposals spanning 13 agencies/departments.
 - The proposals span the higher education, labor, health, and social service sectors of the budget, among others.
 - The last few pages of the handout list all the proposals by policy area.
- \$5.2 billion in total funding.
 - 98 percent of the funding is one time, 2 percent is ongoing.
 - 56 percent is federal funding, 44 percent is state funding.
- The bulk of the funding is associated with new initiatives (rather than expansions of existing programs).



Assessment of Governor's Proposals

A Few Proposals Have Merit

- A few proposals expand existing programs that have a proven track record or show promise based on preliminary data.
- A few proposals are sized such that the administering agency likely has the capacity to carry out the program in a timely manner.

Most Proposals Have Notable Weaknesses

- Many proposals lack basic components, such as a definition of the workforce problem the administration is trying to address, the number of persons intended to be served, and how the program would be structured.
- Many proposals are new and so large that agencies likely lack the capacity to administer them in a timely way.
- Many proposals lack a clearly defined role for industry to provide input on its workforce needs or leave out other key workforce stakeholders (such as local workforce boards).
- Many proposals lack performance measures and reporting or evaluation requirements to help monitor whether objectives are being met.

No Overarching Plan or Clear Set of Goals

- The administration has not set forth how its myriad individual proposals are intended to interact with each other to meet overarching state objectives both in the near and long term.
- Several new initiatives duplicate or significantly overlap with other existing programs and funding streams.



Guidance for Addressing Workforce Issues

Pandemic Has Highlighted Longstanding Labor Market Disparities

- Women, persons of color, those without a college education, and persons with disabilities disproportionately fill less stable, lower-wage jobs, and have experienced a disproportionate share of job losses over the past year.

Economy Is Picking Up

- The state's economy remains in flux, but businesses are reopening and hiring is picking up.
- As a result, the role of the state's workforce system in the near term is unclear.

Guidance Were Legislature to Want to Spend More on State Workforce Efforts

If Legislature wishes to dedicate some portion of state or federal funds for workforce development in 2021-22, we recommend:

- Connecting funds to well-defined workforce problems that are resolvable within the allotted time frame.
- Focusing funds on a manageable number of initiatives, preferably those with proven track records or promising outcomes.
- Sizing funding amounts to identified needs as well as agencies' capacity to administer.
- Leveraging existing local, regional, and state funds when possible.
- Developing clear mechanisms for employers to provide input on their workforce needs and the quality of available training programs.
- Requiring the administration, education agencies, and workforce providers to report participation, budget, and outcomes data.



Workforce Proposals by Policy Area: Higher Education

Governor's Workforce Proposals^a (In Millions)			2021-22 Funding ^b			Fund Source
Agency	Program	Proposal	One Time	Ongoing	Total	
Higher Education			\$2,105	\$75	\$2,180	
CSAC	Golden State Education, Entrepreneurship, and Training Grant Program	New initiative to provide a grant to workers displaced by the pandemic seeking education and training or funds to start a business.	1,000	—	1,000	ARP
UC	Endowment for Learning-Aligned Employment	New initiative to establish a UC-administered endowment that supports employment opportunities for students at CCC, CSU, and UC. The employment opportunities must be aligned with students' programs of study.	1,000 ^c	—	1,000	GF
CCC	Work-based learning	New initiative to support work-based learning, with a focus on cloud computing and zero emissions and supply chain sectors.	30	—	30	P98
CSU	CSU Northridge Center for Equity in Innovation and Technology	New facility for activities to address equity gaps among underrepresented students in science, technology, engineering, and mathematics fields.	25	—	25	GF
UC	California Institutes for Science and Innovation	Expansion of existing program to support student employment and research opportunities.	20	—	20	GF
CCC	High Road Training Partnerships and Regional Partnerships	New initiative to provide grants to community colleges that participate in these training partnerships.	20	—	20	P98
CSU	CSU Monterey Bay Computing Talent Initiative	New state-funded initiative intended to strengthen the technology workforce pipeline, with an emphasis on increasing diversity within the industry.	10	—	10	GF
CCC	Vocational education for English as a Second Language students	New program that provides supplemental funding for these courses and students, with the supplement intended to provide a further incentive for colleges to increase course enrollment above 2018-19 levels.	—	50	50	P98
UC	Programs in Medical Education	Expansion of existing program to support medical student enrollment growth and enhance equity-based medical education programs.	—	13	13	GF
CCC	Strong Workforce Program	Expansion of existing program (5 percent base increase) that supports community colleges in offering workforce training and engaging in regional planning.	—	12	12	P98

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Workforce Proposals by Policy Area: Labor

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Agency	Program	Proposal	2021-22 Funding ^b			Fund Source
			One Time	Ongoing	Total	
Workforce Development			\$1,082	—	\$1,082	
CWDB	Community Economic Resilience Fund	New initiative providing grants to regional collaboratives that address the administration's climate-transition goals. Funds aim to generate jobs in emerging energy and climate mitigation fields and help regions transition out of legacy fields.	750	—	750	ARP
CWDB	High Road Training Partnerships	Expansion of existing apprenticeship programs in construction, healthcare, information technology, trade, agriculture, manufacture, education, hospitality, janitorial, and utilities industries.	90	—	90	GF
CWDB	Regional equity and recovery partnerships	New initiative providing grants to regional workforce development boards that partner with local community colleges to align workforce training programs.	50	—	50	GF
CWDB	High Road Training Partnerships	New initiative to create apprenticeship collaboratives between CWDB and CCC. Funds would support training for 5,000 students and could include income support or wage subsidies.	50	—	50	GF
EDD	Employment Training Panel	Expansion of existing incumbent worker training program to include public-sector employers. Also would newly direct the panel to fund apprenticeship programs.	50	—	50	GF
EDD	Employment Training Panel	New initiative supporting employee training programs via contract education at CCC.	42	—	42	GF
CWDB	High Road Construction Careers Apprenticeships	Expansion of state's existing apprenticeship program, supporting 2,000 housing construction apprenticeship positions.	20	—	20	GF
CWDB	Implementation costs	State operations to support proposed grant programs.	15	—	15	GF
LWDA	Data sharing	New initiative to build data infrastructure between LWDA and CCC to track employment outcomes.	15	—	15	GF

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Workforce Proposals by Policy Area: Health and Human Services

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Agency	Program	Proposal	2021-22 Funding ^b			Fund Source
			One Time	Ongoing	Total	
Health and Human Services			\$1,211	\$8	\$1,219	
OSHPD	Children and Youth Behavioral Health Initiative	New initiative to increase the behavioral health workforce, including training more psychiatrists and psychologists.	900 ^d	—	900	ARP/GF
DSS	In-Home Supportive Services (IHSS) provider career pathways	New initiative to support career pathways for IHSS providers, allowing these workers to build on their experience to obtain a higher-level job in the home care and/or health care industry.	200	—	200	GF
OSHPD	Song-Brown program	Expansion of existing program that supports primary care physician residency programs in underserved areas.	50	—	50	GF
DSS	Child Care Initiative Project	Expansion of existing initiative to support license-exempt child care providers in meeting the requirements to become licensed (which allows them to serve additional children).	25	—	25	CRRSAA
DDS	Competitive Integrated Employment Grants	New initiative to increase competitive integrated employment opportunities for individuals with developmental disabilities.	15	—	15	GF/FF
DOR	Disability Employment Grants	New initiative to incentivize private entities to develop internship opportunities for individuals with physical disabilities.	10	—	10	GF
OSHPD	Geriatric care	New initiative to provide loan repayment and scholarships to health professionals who specialize in geriatric care and practice in underserved areas.	8	—	8	GF
DSS	Education incentives to work in child welfare field	New initiative providing stipends and scholarships to Native American or tribal Master of Social Work students who commit to working in the child welfare field.	3	—	3	GF
DDS	Direct Service Professional Training	New initiative to implement of a tiered training and certification program for direct service professionals who serve individuals with developmental disabilities.	—	4	4	GF/FF
DDS	Bilingual pay differentials	New initiative to provide pay differentials to bilingual direct service professionals who deliver services to individuals with developmental disabilities who need non-English support (including sign language).	—	4	4	GF/FF

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Workforce Proposals by Policy Area: Other

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Agency	Program	Proposal	2021-22 Funding ^b			Fund Source
			One Time	Ongoing	Total	
Other			\$763	—	\$763	
OPR	Californians for All College Service Program	New initiative to provide service opportunities for documented and undocumented students at CCC, CSU, and UC. A participating student could receive a total of up to \$10,000 in stipend and scholarship support.	285	—	285	ARP/GF
OPR	K-16 regional collaboratives	New initiative to create regional collaboratives (of schools, community colleges, and universities) that develop additional educational pathways.	250	—	250	GF
OPR	California Volunteers: Youth Workforce Development	New initiative to provide grants to local governments to encourage summer employment for youth in service work in their communities.	200	—	200	ARP
OPR	California Volunteers: student coaches	New initiative to support approximately 500 opportunities for AmeriCorp members to coach K-12 students and collaborate with teachers.	15	—	15	GF
CDFA	New Farmer Training and Farm Manager Apprenticeships Program	New initiative to support organizations to expand existing farmer training programs and/or agricultural apprenticeship programs, or develop new training programs for farmworkers and farm managers.	10	—	10	GF
OPR	California Volunteers: STEM Teacher Recruitment Grants	New initiative to support STEM professionals entering into the teaching profession by connecting them with teaching, tutoring, and speaking opportunities in K-12 schools.	3	—	3	GF
Totals			\$5,161	\$83	\$5,244	
<p>^a The Governor introduced most of these proposals in May, with a few introduced in January.</p> <p>^b Reflects amount taking into account January and May proposals.</p> <p>^c Includes \$500 million provided in 2022-23.</p> <p>^d Includes \$125 million GF in 2022-23 and \$75 million GF in 2023-24.</p> <p>CSAC = California Student Aid Commission; ARP = American Rescue Plan; GF = General Fund; P98 = Proposition 98 General Fund; CWDB = California Workforce Development Board; EDD = Employment Development Department; LWDA = Labor and Workforce Development Agency; OSHPD = Office of Statewide Health Planning and Development; DSS = Department of Social Services; DDS = Department of Developmental Services; CRRSAA = Coronavirus Response and Relief Supplemental Appropriations Act; FF = other federal funds (specifically Medicaid reimbursements); DOR = Department of Rehabilitation; and OPR = Office of Planning and Research.</p>						

