

OCTOBER 13, 2021

Overview of Funding for Earn and Learn Workforce Development Programs

PRESENTED TO:

Assembly Select Committee on Economic
Development in the Inland Empire
Hon. Freddie Rodriguez, Chair



LEGISLATIVE ANALYST'S OFFICE

Earn and Learn Workforce Programs

What Is Earn and Learn? State law defines earn and learn as workforce training programs that combine (1) learning or job training—either in a classroom or at the workplace—with (2) paid work in that field. Many types of workforce training programs fit under this definition, including:

- **Apprenticeship.** Combines classroom instruction with on-the-job training in specific job fields. The state certifies apprenticeship programs. Traditional apprenticeships in the building trades typically are sponsored by employers and labor unions. Many apprenticeship programs last several years. In 2020, there were 94,000 apprentices in the state, of which about 75 percent were in the building trades. Roughly two-thirds of apprentices who complete the first year of the program continue on to graduate.
- **Pre-Apprenticeship.** Short-term training to help people be technically prepared to begin an apprenticeship program. Pre-apprenticeship programs typically are linked to certified apprenticeship programs, so that graduates of the pre-apprenticeship program can continue their training. Many pre-apprenticeship programs focus specifically on workers with barriers to employment.
- **Incumbent Worker Training.** Employer-provided subject area training for current workers, often to learn emerging technology in their job position or promote to a more advanced position. A statewide employee-paid payroll tax funds incumbent worker training grants.
- **Some Subsidized Employment Programs.** Jobs programs in which a third party, typically a government or nonprofit, covers a portion of wages for certain workers to encourage employers to hire and retain these workers.
- **Paid Internships and Externships.** Pairs students with short-term work in various fields to provide work experience and on-the-job training for the student.
- **Paid Project-Based Learning.** Typically, student group projects to develop and complete a real-world project, often at the request and with the guidance of a sponsor organization such as a government or nonprofit.



Key State Earn and Learn Workforce Programs

Workforce Development

- ***Division of Apprenticeship Standards (DAS)***. The division, within the Department of Industrial Relations, certifies and oversees all apprenticeship programs in the state. In addition, DAS accepts and reviews applications for new apprenticeship programs and provides guidance to new and existing programs.
- ***Employment Training Panel (ETP)***. The panel, within the Employment Development Department, provides grants to employers to fund short-term incumbent worker training. The ETP normally distributes about \$100 million in grants each year, funded by a statewide, employee-paid payroll tax.
- ***California Workforce Development Board***. The board sets statewide workforce development policy in accordance with federal Workforce Investment and Opportunity Act guidance and funding. In this role, the board also guides and collaborates with the 49 business-led regional workforce development boards that operate locally. The board also operates several state-funded workforce development programs that include earn and learn components.

Education

- ***California Apprenticeship Initiative (CAI)***. In 2015-16, the state created the CAI to support new apprenticeship and pre-apprenticeship programs in industry sectors deemed as high growth—such as health care, information technology, and clean energy—that have not traditionally used the apprenticeship model. The state provided \$15 million annually—a total of \$90 million through 2020-21—for CAI. The 2021-22 budget increases ongoing funding for the program to \$30 million. The CAI program is funded with Proposition 98 dollars, overseen by the California Community Colleges Chancellor’s Office, and available to school districts and colleges. CAI grants are intended to support curriculum development and other start-up costs rather than fund ongoing apprenticeship operations.



Key State Earn and Learn Workforce Programs

(Continued)

- **Related and Supplemental Instruction (RSI).** Apprenticeship sponsors typically cover the majority of costs related to instruction and training, often maintaining a training trust fund to support these costs. However, the state has a longstanding program—RSI—that reimburses sponsors for a portion of their instructional costs. Sponsors are reimbursed at an hourly rate—currently \$6.77—and must partner with a school or community college district to qualify for these funds.
- **Strong Workforce Program.** The state created the Strong Workforce Program to improve the availability and quality of career technical education programs. The 2021-22 budget provides \$290 million ongoing for the program—a \$42 million (17 percent) increase over the 2020-21 level. Strong Workforce funds are intended to support smaller training class sizes, equipment costs, and regional planning and coordination. The 2021-22 budget allows colleges to use funding for work-based learning purposes, such as paid internships.

Other

- **California Work Opportunity and Responsibility to Kids (CalWORKs).** The CalWORKs program provides monthly cash grants to low-income families with children. The program requires most adult recipients to work or participate in work training. One available component of work training is the CalWORKs subsidized employment program, which provides about \$180 million each year to fund subsidized employment for CalWORKs participants.



Funding for Earn and Learn Workforce Programs

Funding for Earn and Learn Spread Across Many State Entities.

Given the many entities involved in overseeing and funding earn and learn opportunities, funding for earn and learn programs is spread throughout the state budget.

2021-22 Budget Act Provides \$1.2 Billion in Funding for Key State Earn and Learn Programs. This amount may understate total available funding for earn and learn programs because some other state initiatives (that are not included here) may include earn and learn components.

Key Earn and Learn Programs Funded in the 2021-22 Budget		
<i>(In Millions)</i>		
Agency	Program	2021-22 Funding
Workforce Development		\$370
CWDB	High Road Training Partnerships	125
EDD	Employment Training Panel incumbent worker training grants	143
CWDB	High Road Training Partnerships collaboration with community colleges	50
EDD	Employment Training Panel collaboration with community colleges	42
CWDB	Residential construction apprenticeships	10
Higher Education		\$625
CCC	Strong Workforce Program	290
CSAC	Learning-Aligned Employment Program	200
CCC	Related and Supplemental Instruction	68
CCC	California Apprenticeship Initiative	30
UC	California Institutes for Science and Innovation	20
CCC	High Road Training Partnerships and Regional Partnerships	20
Other		\$180
DSS	CalWORKs Subsidized Employment Programs	180
Totals		\$1,175
<small>CWDB = California Workforce Development Board; EDD = Employment Development Department; CSAC = California Student Aid Commission; and DSS = Department of Social Services.</small>		

