ASSEMBLY BILL No. 23

Introduced by Assembly Member Burke

December 3, 2018

An act to amend Section 12098.1 of, and to add Sections 12098.8 and 12098.9 to, 12100.40 and 12100.41 to the Government Code, relating to economic development.

LEGISLATIVE COUNSEL’S DIGEST

AB 23, as amended, Burke. Office of Small Business Advocate: Deputy of Business and Workforce Coordination. Governor’s Office of Business and Economic Development: Business Workforce Coordination Unit.

Existing law establishes the Office of Small Business Advocate within the Governor’s Office of Business and Economic Development, also known as GO-Biz, and prescribes the duties and functions of the Small Business Advocate, who is also the Director of the Office of Small Business Advocate. Among these duties, the director is to serve as the principal advocate in the state on behalf of small businesses and to represent the views and interests of small businesses before other state agencies the policies and activities of which may affect small businesses. Existing law requires the advocate to prepare and submit a written annual report to the Governor and to the Legislature that describes the activities and recommendations of the office.
This bill would establish a Deputy of Business and Workforce Coordination in the Office of Small Business Advocate, to be appointed by the Director of the Governor’s Office of Business and Economic Development. The bill would require the Office of Small Business Advocate to collaborate and coordinate with specified entities to determine the extent to which existing workforce development efforts and programs address the labor needs of small businesses across industry sectors and regions in the state and to engage industry and business on ways to better align career technical education courses, workforce training programs, and pre-apprenticeship and apprenticeship programs with regional and local labor market demand. The bill would require the office to collaborate and coordinate with those specified entities to identify and advocate for the needs of small businesses relative to that alignment. The bill would require the office to include in its annual report information about its activities pursuant to the bill. The bill would make related legislative findings and declarations.

Existing law establishes the Governor’s Office of Business and Economic Development, also known as GO-Biz, to serve as the Governor’s lead entity for economic strategy and the marketing of California on issues relating to business development, private sector investment, and economic growth. The office, among other things, makes recommendations to the Governor and the Legislature regarding policies, programs, and actions to advance statewide economic and business development goals.

This bill would establish the Business Workforce Coordination Unit in the Governor’s Office of Business and Economic Development to engage industry and business on alignment of career technical education courses, workforce training programs, and preapprenticeship and apprenticeship programs with regional and local labor market demand, as specified.


The people of the State of California do enact as follows:

SECTION 1. (a) The Legislature finds and declares the following:
(1) California’s labor market is increasingly reliant upon a better-trained workforce.
California has a projected shortfall of one to one and one-half million workers with some postsecondary education, but not a bachelor’s degree.

If California is unable to adequately address workforce needs, this state risks foregoing economic opportunities and reducing our market competitiveness, thus limiting or altering our state’s economic growth.

Wages increase on average from 20 to 30 percent when comparing California workers who have had some postsecondary education to those with only a high school diploma.

It is critical for California to not only address the widening gap between the trained labor supply and the demand for high-growth professions, but to also incentivize further training in low-growth occupations to facilitate upward economic mobility for Californians working in those occupations.

It is the intent of the Legislature to enact legislation to incentivize systems that better facilitate communication and partnerships between businesses, labor advocates, and educational institutions for the purpose of creating tailored workforce training programs that both increase worker participation and further the attainment of increased skills.

SEC. 2. Section 12098.1 of the Government Code is amended to read:

12098.1. The following definitions apply to this article, unless otherwise indicated:

(a) “Advocate” means the Small Business Advocate who is also the Director of the Office of Small Business Advocate.

(b) “Deputy” means the Deputy of Business and Workforce Coordination.

(c) “Director” means the Director of the Office of Small Business Advocate.

(d) “Office” means the Office of Small Business Advocate.

SEC. 3. Section 12098.8 is added to the Government Code, to read:

12098.8. The Deputy of Business and Workforce Coordination shall be appointed the deputy.

SEC. 2. Section 12100.40 is added to the Government Code, to read:

12100.40. The Business Workforce Coordination Unit is hereby established in the office. The Director of the Governor’s Office of Business and Economic Development shall appoint the deputy.
Development. To support economic development, the purpose of
the unit is to engage industry and business on aligning career
technical education courses, workforce training programs, and
preapprenticeship and apprenticeship programs with regional and
local labor market demand.

SEC. 4. Section 12098.9 is added to the Government Code, to
read:

12098.9. (a) The office

SEC. 3. Section 12100.41 is added to the Government Code, to
read:

12100.41. (a) The unit shall collaborate and coordinate with
the Labor and Workforce Development Agency, the California
Workforce Development Board, the State Department of Education,
the Office of the Chancellor of the California Community Colleges,
local workforce boards, the Department of Industrial Relations
Division of Apprenticeship Standards, the Employment Training
Panel, local workforce development boards, business, industry,
and other public and private workforce development entities to
determine the extent to which existing workforce development
efforts and programs address the labor needs of small businesses
across industry sectors and regions in the state. In addition to other
areas of collaboration, the office shall engage industry and business
on ways to better align career technical education courses,
workforce training programs, and pre-apprenticeship and
apprenticeship programs with regional and local labor market
demand, facilitate a broader understanding of the workforce needs
of businesses seeking to expand their operations in California,
address a skills shortage, or upskill their workforce, or any
combination thereof. Additionally, the unit shall support businesses
and employers in their efforts to use workforce development tools
to support economic development.

(b) In dominant and emerging industry sectors and regions that
are determined to be underserved or unserved, the office shall
support and, where necessary, augment existing workforce efforts
and outreach strategies to execute the missions and responsibilities
of the office.

(c) The office shall collaborate and coordinate with agencies
and stakeholders listed in subdivision (a) to identify and advocate
for the needs of small businesses relative to the alignment of career
technical education courses, workforce training programs, and
pre-apprenticeship and apprenticeship programs with regional and local labor market demand.

(d) The office shall include information about its activities pursuant to this section in the annual report required pursuant to Section 12098.4.

(b) The unit shall, in collaboration with the Labor and Workforce Development Agency, identify underserved or unserved business workforce needs in dominant and emerging industry sectors and regions throughout the state. The unit shall partner with the agency to develop and implement an outreach and engagement plan that will elevate business workforce needs, identify opportunities, and engage businesses in underserved or unserved industry sectors and regions to further incorporate labor market demand needs into future updates to the state’s Unified Strategic Workforce Development Plan.