

Date of Hearing: April 30, 2013

ASSEMBLY COMMITTEE ON VETERANS AFFAIRS
Al Muratsuchi, Chair
AB 1268 (John A. Pérez) – As Introduced: February 22, 2013

SUBJECT: Unemployment insurance: veterans' unemployment: Veterans Workforce Development and Employment Office.

SUMMARY: Establishes the Veterans Workforce Development and Employment Office (Office) within the Labor and Workforce Development Agency (Agency), as specified. Specifically, this bill:

- 1) Creates the Office within the Agency for the purpose of coordinating state veterans workforce development and employment services and requires the Office to do all of the following:
 - a) Administer specified state and federal unemployment programs and services for veterans currently covered by the Employment Development Department (EDD);
 - b) Develop a plan, by May 1, 2014, in collaboration with the EDD for the transfer of its veterans program and service administrative responsibilities from EDD to the Office;
 - c) Transfer all support staff responsible for administration of the Disabled Veterans' Outreach Program (DVOP) and the federal Local Veterans' Employment Representatives (LVER) programs from the EDD to the Office according to the plan; and,
 - d) Coordinate its efforts with the state Department of Veterans Affairs and the Governor's Interagency Council on Veterans.
- 2) Provides that the Office shall coordinate and consult with appropriate state agencies, departments, veterans' organizations and veterans' service providers to:
 - a) Research the needs of veterans throughout the state and develop a profile of veterans' employment and training needs;
 - b) Develop a plan for the equitable distribution of the employment funds for veterans' employment services;
 - c) Develop a strategy and program for identifying employers and small businesses interested in hiring veterans and establish the means by which any appropriate training and placement may occur; and,
 - d) Seek federal and other funding for the research and development of veterans' employment and training needs.

- 3) Repeals existing law referencing the annual report required from EDD to the Legislature following any fiscal year in which state funds support the Veterans Employment Training services program and instead states that the Office shall provide an annual report to the Legislature regarding specified performance measures.
- 4) Makes related findings and declarations.

EXISTING LAW:

- 1) Authorizes the EDD within the Agency to perform various functions and duties with respect to job creation and retention activities.
- 2) Requires the EDD to research and develop a profile of the employment and training needs of veterans throughout the state and to develop a plan to distribute employment funds for veterans' employment services, additionally requires the EDD to seek federal funding for these purposes.
- 3) Requires the EDD to submit an annual report to the Legislature, as specified, following any fiscal year in which state funds support the Veterans Employment Training services program.
- 4) Authorizes the EDD, in coordination with the California Workforce Investment Board (CWIB) to administer the federal Jobs for Veterans State Grant Program (JSVG), and oversees the federal LVER, the Transition Assistance Program (TAP), and the DVOP.

FISCAL EFFECT: Unknown at this time.

COMMENTS:

Purpose of this bill: To increase veteran employment through improved performance of the DVOPs and LVERs administered through the JSVG program.

Problem: California ranks last compared to all the other states in the key category of veterans that found employment after having received state employment services. Performance outcomes for California's federally-funded veterans' employment services that are currently administered by EDD indicate that California lags behind other states in helping veterans find and retain jobs. Based on the 2011 state performance outcomes (the most recent available), California ranks last compared to all the other states in the key category of veterans that found employment after having received state employment services.

According to the California Research Bureau (Overview of Veterans in California: March 2013):

California has approximately 1.9 million veterans. Of these, about 185,000 (or 9.7 percent) are women. Almost one million are currently over the age of 60 (52.3 percent). Most live in Southern California counties, and are heavily clustered in Los Angeles (323,431 in 2012), San Diego (222,348 in 2012) and Orange counties (132,529 in 2012).

Employment

... In general, male veterans are doing better than either their civilian counterparts or women veterans. Women veterans have a mixed picture; those returning from the most recent conflict do worse than either their civilian peers or male veterans while women veterans from past conflicts appear to be on par with civilian women.

Overall, male veterans have a lower unemployment rate than their civilian male counterparts. In January 2013, male veterans had an unemployment rate of 7.6 percent compared to 9.0 percent for their civilian counterparts. Veterans participate in the employment pool at a higher rate than their male civilian counterparts. Nearly 80 percent of all male veterans participate in the employment pool while only 73 percent of civilian men do. However, our young male veterans, those 18-24, have a higher unemployment rate than their civilian counterparts: 20.4 percent compared to 16.4 percent.

Thus it is clear that there is persistent trouble with the employment of younger veterans, particularly younger women veterans. California has multiple agencies with programs that serve veterans, but at issue here is EDD.

Legislative dissatisfaction with the status quo at EDD is high: The Assembly sponsored a Supplemental Budget Report required in the 2010 Act that directed EDD to report on options on how to improve the performance of the its veteran employment and job training programs. Unfortunately, the report failed to address in a meaningful way any governance changes that appear to still be needed.

Moreover, in 2013, the Joint Legislative Audit Committee approved an audit request to evaluate the effectiveness of the veteran workforce programs EDD currently administers (Audit due October 2013).

Argument in support: The status quo is unacceptable. Moving the programs to a place with a veteran focus will increase their performance.

EDD's mission is employment for all Californians:

The Employment Development Department enhances California's economic growth and prosperity by collaboratively delivering valuable and innovative services to meet the evolving needs of employers, workers, and job seekers.

The argument of the author is that moving the veteran employment programs to this new entity puts them in a place where the entire mission is focused on veterans, rather than at EDD which has a broader mission. Then the expectation is that, in the new veteran-focused environment, the programs' performance will improve.

Moreover, the new entity will, according to the author:

...[A]lso assist in ensuring that California's veterans are sufficiently benefitting from the national movement by employers to hire more veterans, and other training and employment opportunities presented with major public works projects such as high speed rail and the implementation of Prop. 39, for example.

Finally, the author also maintains that the bill will provide a single point of contact for employers that want to hire a veteran:

In fact, one of the author's principal concerns is that there is no one person or office within state government for California's major employers to call when they want to hire veterans.

This approach has worked well with the very successful California National Guard's Work for Warriors program which receives employment information from but the program only serves Guard members. The new entity would be able to serve all veterans.

RELATED LEGISLATION:

AB 171 (Chávez) of 2013 establishes the California Veterans Services and Workforce Development Division within the Department of Veterans Affairs for the purpose of coordinating and administering veterans' assistance programs in the state. AB 171 and this bill are in conflict in that they both affect the same staff in mutually exclusive ways.

AB 1931 (Gorell) of 2012 would have established the California Veterans Services and Workforce Development Division within the Department of Veterans Affairs (DVA) for the purpose of coordinating and administering veterans' assistance programs, and would have transferred those programs from the EDD to the DVA. The bill was held under submission by the Senate Appropriations Committee.

AB 2143 (Gilmore) of 2010 would have required the California Employment Development Department (EDD) in coordination with the California Department of Veteran Affairs (CDVA) to conduct a study and report to the Legislature, as specified. AB 2143 died without a hearing in the Senate Veterans Affairs Committee.

AB 1806 (Committee on Budget) Chapter 69, Statutes of 2006 requires an annual report from EDD following any fiscal year in which state funds support the Veterans Employment Training services program. No report has been completed

Previous Committee: Assembly Labor and Employment

Ayes: 7 Noes: 0

REGISTERED SUPPORT / OPPOSITION:

Support

AMVETS-Department of California
California Association of County Veterans Service Officers
California Labor Federation, AFL-CIO
San Diego Gas & Electric
Southern California Gas Company
VFW-Department of California
The Home Depot

Opposition

None on file.

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