

## **Department of Better Jobs and Higher Wages** (timeline)

### **2020-21 Governor's Budget - - Released January 10, 2020**

**Budget Request Summary:** The Labor and Workforce Development Agency requests **\$2.4 million** General Fund and 10 positions in 2020-21. This will provide Agency the necessary resources to establish the directorate for the **Department of Better Jobs and Higher Wages** that will develop and align programmatic strategies and service delivery models to better meet California's workforce needs and proactively address the state's future of work challenges.

### **2020-2021 May Revision to the Governor's Budget - - Revised on May 14, 2020**

**Labor and Workforce Development Agency - - REALIGNING WORKFORCE TRAINING** The COVID-19 Recession is causing unemployment levels the state has never seen. As the economy recovers, it is critical that the state's workforce training programs are aligned to the jobs that employers need. For these reasons, the Administration is prioritizing the reorganization of various entities under California's Labor Agency that aligns fragmented programs and services to better support data, policy, and program analysis of the state's workforce training programs. The proposed consolidation of the state's workforce training programs under a new **Department of Better Jobs and Higher Wages** is needed more now than ever given the underlying changes in the state's economy. The Department will be comprised of the California Workforce Development Board, the Employment Training Panel, Workforce Services Branch, and Labor Market Information Division, which are currently in the Employment Development Department, and the Division of Apprenticeship Standards, currently in the Department of Industrial Relations.

Trailer bill language can be found at the following URL:

<https://esd.dof.ca.gov/dofpublic/public/trailerBill/pdf/83>

## The May Revision - - LAO Analyses May 17, 2020

### Department of Better Jobs and Higher Wages

- **New Department.** In January, the Governor proposed to consolidate employment, training, and data collection services provided by several entities within the Labor and Workforce Development Agency (LWDA) into a new Department of Better Jobs and Higher Wages.
- **Funding and Implementation.** The Governor's budget included budget legislation to form the new department and \$2.4 million (General Fund) in one-time resources to hire the department's executive team.
- **May Revision Withdraws Funding, but Moves Ahead With Implementation.** The May Revision proposes to withdraw funding for the new department's executive team. However, the administration included budget legislation to create the department in the May Revision. According to the administration, moving ahead with the new department is more critical now because coronavirus disease 2019 has severely impacted both jobs and wages.
- **LAO Comments.** Creating a new department is a multiyear project that requires consistent involvement by senior LWDA staff and departmental executive staff. Given the current workload at EDD related to unprecedented unemployment insurance claims—including the rapid implementation of new federal programs—it is unclear whether LWDA and departmental staff could dedicate the time and resources needed to create a new department at this time.