

SB 594 (STEINBERG)

The Dropout Reduction and Workforce Development Bond Act of 2013

SUMMARY

SB 594 will revolutionize public education in California by integrating rigorous academic preparation with work-based learning opportunities in key growing sectors of the state's economy. SB 594 will build stronger connections between our schools and businesses by engaging industry more directly in the development and delivery of curriculum, which will strengthen preparation of our students for the highly skilled, technically demanding jobs of the 21st century.

BACKGROUND

California suffers from both a high number of high school dropouts and a shortage of skilled workers in high-growth sectors such as biotechnology, nursing and advanced manufacturing. Investing more in public-private partnerships will enhance the human capital of our workforce and lead to wage and employment growth.

Career pathways programs include: (1) academically relevant and rigorous curriculum developed and delivered by educators working in tandem with local industry experts; (2) paid and unpaid jobs, internships, mentorships, apprenticeships or other similar work experiences for students; (3) permanent or part-time hires of recent graduates; (4) paid summer fellowships for teachers; and (5) career exploration opportunities for middle school students through structured job shadowing.

NEW FINANCING TOOLS

This bill provides three new financing tools to encourage the development of business-school partnerships in career pathways programs. Priority will be given to programs

serving students in economically disadvantaged school districts with high dropout rates.

Workforce Development Bonds.

Authorizes the issuance of Workforce Development Bonds by the state to finance career pathways programs. Repayment of the bonds will be linked to performance-based contracts. Businesses in economic sectors with the greatest potential for high-wage job growth will be eligible to purchase the bonds and earn a rate of return tied to performance measurements. Priority will be given to businesses that pledge to reinvest their earnings in additional work-based opportunities for students.

Career Pathways Investment Tax

Credits. Authorizes a tax credit for businesses that invest in academic and work-based learning opportunities for students in partnership with public schools. A committee chaired by the Chancellor of the California Community Colleges and including the Superintendent of Public Instruction will review applications and award credits on a competitive basis to business/school district partnerships that have the best chance of success and long-term sustainability.

Linked Learning Trust Funds. Establishes a Linked Learning Trust Fund in each school and community college district to finance the operations of career pathways programs. The trust funds may accept revenues from any source, including employment training funds; foundation grants; Community Reinvestment Act funds, tax revenues, apportionments, and loans.

FOR MORE INFORMATION

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