



March 9, 2020

The Honorable Toni Atkins
President pro Tempore
California State Senate
Room 205
State Capitol
Sacramento, CA 95814

RE: SB 1333 (Durazo) Corporation Tax Law: credits: employment: homelessness

POSITION: Sponsor/Support

Dear Senate President pro Tempore Atkins:

On behalf of The California Workforce Association (CWA), we are pleased to sponsor SB 1333, a bill that would create the California Homeless Hiring Tax Credit to support up to 3,000 individuals in securing meaningful employment. The California Workforce Association is an organization comprised of the 45 Local Workforce Development Boards (WDBs) in California and the nearly 200 America's Job Centers of California that work closely with adults, dislocated workers and at-risk youth to ensure they have the skills and training required for jobs needed by businesses. During our last program year, CWA's members served over 1.3 million customers and tens of thousands of businesses.

Since 2013, California has had a new employment hiring tax credit. However, according to Franchise Tax Board (FTB) data, this credit has been severely underutilized due to numerous limitations. As a result, over the past half-decade the FTB, the Legislative Analyst's Office and the governor have proposed substantial changes to the hiring credit.. To this end, CWA supports an alternative that streamlines the hiring of a critically endangered population, and provides incentives to businesses to stimulate employment opportunities for homeless individuals, and to elevate businesses as an integral part of the response to the crisis of homelessness in California.

The goal of SB 1333 is not to create new jobs, but rather to facilitate the hiring of homeless individuals, who frequently experience stigma and systemic barriers when attempting to attain full-time. The purpose of the Homeless Hiring Tax Credit is to encourage qualified employers that provide family-sustaining career pathways to hire and retain employees from the homeless population.

Local Workforce Development Boards would benefit from this program, in both our Federal and State mandated goals of serving a targeted population that face significant barriers to employment, and offering another tool to help solve the State's housing crisis.

The Federal government allocates the Work Opportunity Tax Credit (WOTC) to employers hiring individuals from certain targeted populations. However, no Federal or State incentives exist for employers to hire from the homeless population. SB 1333 has the advantage of objective, third-party validation of employee qualification by EDD. SB 1333 increases the attractiveness of the federal WOTC program which brings increased federal tax savings to California businesses, and encourages qualified employers that provide family-sustaining career pathways to hire and retain employees from the homeless population who have systematically faced barriers to employment

For all the above reasons, we respectfully request an Aye vote on SB 1333.

Thank you for considering our views.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bob Lanter".

Bob Lanter
Executive Director
California Workforce Association

cc: The Honorable Maria Elena Durazo
Members, California State Senate