



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

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Jerome E. Horton, BOE Chairman, Outraged Over Proposed Elimination of Job Training Programs

Jerome E. Horton, Chairman of the California State Board of Equalization (BOE), issued a statement today about the House Appropriations Committee recently introduced H.R. 1, the Fiscal Year 2011 Continuing Resolution. If passed, this bill would eliminate all funding (over \$3.6 billion) for job training and employment programs under the federal Workforce Investment Act (WIA) in Program Year 2011 (October 1, 2010 to September 30, 2011) and authorize a \$175 million rescission of prior year funds (October 1, 2009 to September 30, 2010).

Chairman of the California Board of Equalization, Jerome Horton, said “I commend congressional efforts to reduce the country’s budget deficit, but eliminating the primary job training and development system is completely counterproductive to restoring the U.S. economy.”

Passing H.R. 1 would effectively end America’s long history of investment in the nation’s most vulnerable workers and shut down 3,000 One-Stop Career Centers and negatively affect other workforce development partners in California, as well as millions of people nationally. The WIA encompasses and supports many state and local programs that provide vital job services to the unemployed, under-employed, and the business community.

Horton, as a former member of the California Workforce Investment Board (WIB) stated, “I can attest to the efficiency and importance of WIA activities to the state’s economy, its taxpayers, and employers.” The California Employment Development Department’s (EDD) latest workforce performance results for the twelve-month period ending June 30, 2008, and June 30, 2010, show that the State unemployment rate during this period rose from 6.9% in June 2008 to 12.3% in June 2010, including a 160% overall increase in WIA participation rates during the same period.

The benefit of training and job placement to California taxpayers under WIA is confirmed by comparing the cost of training to the amount of money returned to the state economy in the form of tax revenues. These returns are an important measure of the success and effectiveness of the Workforce Investment Act system in California. In addition to providing valuable employment services to our state’s residents, it is the support to local businesses and economic development efforts that may suffer the most if WIA funding is lost.

According to Bill Lockhart, president of Americal Contractors Corp., a small business in Los Angeles that hired skilled workers through WIA supported programs in 2010, “The program has been

unbelievably good. I've been an employer for 50 years and have never seen people work this hard. This program is like a godsend.”

Horton underscored Lockhart's comment. “This quote is indicative of how thousands of businesses feel in Los Angeles County. As the U.S. economy continues its fragile recovery, the support of small and mid-sized businesses like Americal is more essential now than ever.”

Under the WIA, local WIBs and their One-Stop centers have become critical economic development support entities for California. From recruiting new businesses to the state through access to skilled workers and financial incentives, to helping firms save money in hiring new employees and helping companies that are closing or downsizing to ensure that they and their workers receive appropriate economic assistance, our WIA system saves the business community time and money, increases worker productivity, and contributes to California's economic growth and prosperity.

For more information on please call Jan Vogel, executive director of the South Bay Workforce Investment Board, at (310) 970-7700.

Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the BOE Legislative Committee chairman. He is the first African American to serve on the BOE since its inception in 1879 and the third African American constitutional officer in California's history. Horton previously served as a Member of the California Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The BOE collects more than \$48 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other California taxes and fees, visit www.taxes.ca.gov.

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