

**ASSEMBLY BILL**

**No. 2058**

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**Introduced by Assembly Member Block  
(Coauthors: Assembly Members Arambula and Solorio)**

February 18, 2010

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An act to amend Sections 1266, 1267, 1268, 1271, 1271.5, and 1272.5 of, to add Section 1266.1 to, to repeal Sections 1270, 1272, and 1273 of, and to repeal and add Section 1269 of, the Unemployment Insurance Code, relating to unemployment insurance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2058, as introduced, Block. Unemployment insurance: retraining benefits.

Existing law provides unemployment compensation benefits to eligible persons who are unemployed through no fault of their own. Existing law, until January 1, 2015, provides for retraining benefits to eligible individuals pursuant to the federal Trade Act of 1974, as amended by the federal Trade Act of 2002. Existing law authorizes an unemployed individual who files a claim for unemployment compensation benefits or extended duration benefits, or an application for federal-state extended benefits or any federally funded unemployment compensation benefits, to apply to the Employment Development Department for benefits during a period of training or retraining. Existing law also requires that a determination of potential eligibility for specified training and retraining benefits be issued to an unemployed individual if the Director of Employment Development finds that specified conditions apply.

This bill would revise those eligibility requirements to, instead, specify that an unemployed individual who files a claim for unemployment

compensation benefits or extended duration benefits, or an application for federal-state extended benefits or any federally funded unemployment compensation benefits shall be deemed to automatically be eligible for benefits during a period of training or retraining. The bill would require that if the director determines that the average state unemployment rate, seasonally adjusted, as determined by the United States Secretary of Labor, for the period consisting of the most recent 3 months for which data for all states are published for the close of that week equals or exceeds 8.5%, recipients of unemployment compensation benefits also be eligible to participate in training or retraining programs.

Existing law specifies that any unemployed individual receiving certain unemployment compensation benefits, who applies for a determination of potential eligibility for those benefits no later than the 16th week of his or her receiving those benefits, and is determined to be eligible for those benefits, is entitled to a training extension on his or her unemployment claim, if necessary, to complete approved training.

This bill would eliminate that requirement that an individual apply for a determination of potential eligibility no later than the 16th week of his or her receiving those benefits, and would instead require that any training extension granted pursuant to those provisions provide the claimant with a specified weekly benefit amount, as prescribed.

Existing law requires the department to inform all individuals who claim unemployment compensation benefits in this state of the benefits potentially available, and permits the department to convey this information verbally or in written form, as provided.

This bill would, instead, require the department to convey that information verbally, in written form, and on-line, and would require that the information be made available on the department's Internet Web site in close proximity to information on unemployment compensation claim forms.

Existing law makes an individual ineligible for benefits in any week during a period of training or retraining if he or she fails to submit a specified certification.

This bill would make an individual ineligible for benefits in any week during a period of training or retraining if he or she fails to submit biweekly information documenting his or her eligibility for benefits for any week during a period of training or retraining.

Existing law prohibits the payment of benefits during a period of training or retraining to any individual for any week or part of any week with respect to which he or she receives training or retraining benefits,

allowances, or stipends pursuant to specified federal laws that provide for the payment of those benefits.

This bill would eliminate that prohibition on the payment of those benefits.

Because the bill would make various changes to existing eligibility requirements for training and retraining benefits, which would result in additional amounts being payable from the Unemployment Fund for those benefits, the bill would make an appropriation.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1266 of the Unemployment Insurance  
2 Code is amended to read:

3 1266. Experience has shown that the ability of a large number  
4 of the population of California to compete for jobs in the labor  
5 market is impaired by advancement in technological improvements,  
6 the widespread effects of automation and relocation in our  
7 economy, and foreign competition as set forth in petitions certified  
8 under the federal Trade Act of 1974, as amended (Title 19, United  
9 States Code, Sections 2101 et seq.). The Legislature finds that  
10 many individuals in California are lacking in skills ~~which that~~  
11 would make them competitive in the labor market. They are in  
12 need of training or retraining ~~in to upgrade their skills required in~~  
13 ~~demand occupations~~. It is the policy of this state to assist these  
14 individuals by providing unemployment compensation benefits,  
15 extended duration benefits, and other federally funded  
16 unemployment compensation benefits, including those available  
17 under the federal Trade Act of 1974 (Public Law 93-618), as  
18 amended by the federal Trade Act of 2002 (Public Law 107-210),  
19 during a period of retraining to qualify them for ~~new jobs in~~  
20 ~~demand occupations~~ and thus avoid long-term unemployment.

21 SEC. 2. Section 1266.1 is added to the Unemployment  
22 Insurance Code, to read:

23 1266.1. If the director determines that the average state  
24 unemployment rate, seasonally adjusted, as determined by the  
25 United States Secretary of Labor, for the period consisting of the

1 most recent three months for which data for all states are published  
 2 for the close of that week, equals or exceeds 8.5 percent, recipients  
 3 of unemployment compensation benefits shall also be eligible to  
 4 participate in training or retraining programs.

5 SEC. 3. Section 1267 of the Unemployment Insurance Code  
 6 is amended to read:

7 1267. Notwithstanding any other provision of this division,  
 8 with respect to an unemployed individual otherwise eligible for  
 9 benefits, ~~such~~ *those* benefits shall not be denied to an individual  
 10 for any week because he or she is in training or retraining ~~with the~~  
 11 ~~approval of the director~~, or because of the application to any such  
 12 week in training or retraining of any law of this state relating to  
 13 availability for work, active search for work, refusal to accept  
 14 work, or for leaving his or her most recent work, if continuing the  
 15 most recent work would require the individual to terminate his or  
 16 her training or retraining course of instruction. The individual is  
 17 considered to be in training or retraining during regularly scheduled  
 18 vacation or recess periods, such as Christmas and Thanksgiving  
 19 holidays, or semester breaks, but not during a summer vacation  
 20 period. As used in this article, “individual” includes an exhaustee  
 21 as defined in Section 3503, and any individual claiming  
 22 federal-state extended benefits under Part 4 (commencing with  
 23 Section 4001), and anyone receiving federally funded  
 24 unemployment compensation benefits.

25 SEC. 4. Section 1268 of the Unemployment Insurance Code  
 26 is amended to read:

27 1268. An unemployed individual who files a claim for  
 28 unemployment compensation benefits or extended duration  
 29 benefits, or an application for federal-state extended benefits or  
 30 any federally funded unemployment compensation benefits, ~~may~~  
 31 ~~apply to the department for a determination of potential eligibility~~  
 32 *shall be deemed automatically to be eligible* for benefits during a  
 33 period of training or retraining.

34 SEC. 5. Section 1269 of the Unemployment Insurance Code  
 35 is repealed.

36 ~~1269. A determination of potential eligibility for benefits under~~  
 37 ~~this article shall be issued to an unemployed individual if the~~  
 38 ~~director finds that any of the following apply:~~

39 (a) ~~The training is authorized by the federal Workforce~~  
 40 ~~Investment Act or by the Employment Training Panel established~~

1 pursuant to Chapter 3.5 (commencing with Section 10200) of Part  
2 1 of Division 3.

3 (b) ~~The training is authorized by the federal Trade Act of 1974,~~  
4 ~~(19 U.S.C. Sec. 2101 et seq.), as amended by the federal Trade~~  
5 ~~Act of 2002 (Public Law 107-210), pursuant to a certified petition.~~

6 ~~(e) The individual is a participant in the California Work~~  
7 ~~Opportunity and Responsibility to Kids (CalWORKs) program~~  
8 ~~pursuant to Article 3.2 (commencing with Section 11320) or Article~~  
9 ~~3.3 (commencing with Section 11330) of Chapter 2 of Part 3 of~~  
10 ~~Division 9 of the Welfare and Institutions Code, and has entered~~  
11 ~~into a contract with the county welfare department to participate~~  
12 ~~in an education or training program.~~

13 ~~(d) That all of the following apply:~~

14 ~~(1) The individual has been unemployed for four or more~~  
15 ~~continuous weeks, or the individual is unemployed and unlikely~~  
16 ~~to return to his or her most recent workplace because work~~  
17 ~~opportunities in the individual's job classification are impaired by~~  
18 ~~a plant closure or a substantial reduction in employment at the~~  
19 ~~individual's most recent workplace, by advancement in~~  
20 ~~technological improvements, by the effects of automation and~~  
21 ~~relocation in the economy, or because of a mental or physical~~  
22 ~~disability which prohibits the individual from utilizing existing~~  
23 ~~occupational skills.~~

24 ~~(2) One of the substantial causes of the individual's~~  
25 ~~unemployment is a lack of sufficient current demand in the~~  
26 ~~individual's labor market area for the occupational skills for which~~  
27 ~~the individual is fitted by training and experience or current~~  
28 ~~physical or mental capacity and that the lack of employment~~  
29 ~~opportunities is expected to continue for an extended period of~~  
30 ~~time, or, if the individual's occupation is one for which there is a~~  
31 ~~seasonal variation in demand in the labor market and the individual~~  
32 ~~has no other skill for which there is current demand.~~

33 ~~(3) The training or retraining course of instruction relates to an~~  
34 ~~occupation or skill for which there are, or are expected to be in the~~  
35 ~~immediate future, reasonable employment opportunities in the~~  
36 ~~labor market area in this state in which the individual intends to~~  
37 ~~seek work and there is not a substantial surplus of workers with~~  
38 ~~requisite skills in the occupation in that area.~~

39 ~~(4) If the individual is a journey level union member, the training~~  
40 ~~or retraining course of instruction is specific job-related training~~

1 necessary due to changes in technology, or necessary to retain  
2 employment or to become more competitive in obtaining  
3 employment.

4 (5) The training or retraining course of instruction is one  
5 approved by the director and can be completed within one year.

6 (6) The training or retraining course is a full-time course  
7 prescribed for the primary purpose of training the applicant in  
8 skills that will allow him or her to obtain immediate employment  
9 in a demand occupation and is not primarily intended to meet the  
10 requirements of any degree from a college, community college,  
11 or university.

12 (7) The individual can be reasonably expected to complete the  
13 training or retraining successfully.

14 (8) The beginning date of training is more than three years after  
15 the beginning date of training last approved for the individual  
16 under this subdivision.

17 SEC. 6. Section 1269 is added to the Unemployment Insurance  
18 Code, to read:

19 1269. Notwithstanding subdivision (c) of Section 1253, an  
20 unemployed individual who is able to work is eligible to receive  
21 benefits under this article, if he or she certifies on the claim form  
22 for benefits that he or she is enrolled in a training program designed  
23 to increase or improve their job skills and employability.

24 SEC. 7. Section 1270 of the Unemployment Insurance Code  
25 is repealed.

26 1270. As used in this article:

27 (a) "Demand occupation" means an occupation in a labor market  
28 area in which the director determines work opportunities are  
29 available and there is not a surplus of qualified applicants.

30 (b) "Labor market area" means a county, or aggregation of  
31 counties designated by the department that meets criteria of  
32 population, population density, commute patterns, and social and  
33 economic integration specified by the department.

34 SEC. 8. Section 1271 of the Unemployment Insurance Code  
35 is amended to read:

36 1271. (a) Any unemployed individual receiving unemployment  
37 compensation benefits payable under this division, who applies  
38 for a determination of potential eligibility for benefits under this  
39 article no later than the 16th week of his or her receiving these  
40 benefits, and is determined eligible for benefits under this article,

1 is entitled to a training extension on his or her unemployment  
2 compensation claim, if necessary, to complete approved training.

3 ~~(b) The~~

4 1271. (a) A training extension *granted under this article* shall  
5 provide the claimant with a maximum of 52 times the weekly  
6 benefit amount, which shall include the maximum benefit award  
7 on the parent unemployment compensation claim.

8 ~~(e)~~

9 (b) The parent unemployment compensation claim shall be the  
10 unemployment compensation claim in existence at the time the  
11 claimant is determined eligible for benefits pursuant to subdivision  
12 (a).

13 ~~(d)~~

14 (c) Benefits payable under this section are subject to the  
15 following limitations:

16 (1) The individual shall remain eligible for benefits under this  
17 article for all weeks potentially payable under this section.

18 (2) The individual shall file any unemployment compensation  
19 claim to which he or she becomes entitled under state or federal  
20 law, and shall draw any unemployment compensation benefits on  
21 that claim until it has expired or has been exhausted, in order to  
22 maintain his or her eligibility under this article.

23 (3) To the extent permitted by federal law, benefits payable  
24 under any federal unemployment compensation law shall be  
25 included as benefits payable under this section.

26 SEC. 9. Section 1271.5 of the Unemployment Insurance Code  
27 is amended to read:

28 1271.5. (a) The department shall inform all individuals who  
29 claim unemployment compensation benefits in this state of the  
30 benefits potentially available under this article and Section 1271.  
31 ~~The department may shall convey this information verbally or in~~  
32 ~~written form. If in written form, the department may utilize~~  
33 ~~publications or handbooks that inform individuals of their rights~~  
34 ~~and duties in regard to unemployment compensation benefits.~~  
35 ~~These publications, issued by the department pursuant to authorized~~  
36 ~~regulations, may be used to satisfy the requirements of this section,~~  
37 *in written form, and on-line. Information required by this section*  
38 *shall be made available on the department's Internet Web site in*  
39 *close proximity to information on unemployment compensation*  
40 *claim forms.*

1 (b) Benefits paid ~~under Section 1271~~ shall be charged to  
2 individual employer reserve accounts, consistent with the  
3 provisions of this code.

4 SEC. 10. Section 1272 of the Unemployment Insurance Code  
5 is repealed.

6 ~~1272. Notwithstanding subdivision (c) of Section 1253, an~~  
7 ~~unemployed individual who is able to work is eligible to receive~~  
8 ~~benefits under this article with respect to any week during a period~~  
9 ~~of training or retraining only if the director finds both of the~~  
10 ~~following:~~

11 (a) ~~He or she has been determined potentially eligible under~~  
12 ~~Section 1269 or 1271.~~

13 (b) ~~He or she submits with each claim a written certification~~  
14 ~~executed by a responsible person connected with the training or~~  
15 ~~retraining program certifying that he or she is enrolled in and~~  
16 ~~satisfactorily pursuing the training or retraining course of~~  
17 ~~instruction.~~

18 SEC. 11. Section 1272.5 of the Unemployment Insurance Code  
19 is amended to read:

20 1272.5. If an individual fails to submit *biweekly information*  
21 *documenting eligibility* for any week during a period of training  
22 or retraining ~~the certification required by Section 1272~~, he or she  
23 shall be ineligible to receive any benefits for that week. This section  
24 shall not render an individual ineligible for benefits for any week  
25 during the period of training or retraining if on or before Monday  
26 of that week he or she notifies the department that his or her  
27 training or retraining course of instruction has been or is being  
28 discontinued or terminated prior to that week.

29 SEC. 12. Section 1273 of the Unemployment Insurance Code  
30 is repealed.

31 ~~1273. (a) Notwithstanding any other provision of this article,~~  
32 ~~no payment of benefits during a period of training or retraining as~~  
33 ~~described in this article shall be made to any individual for any~~  
34 ~~week or part of any week with respect to which he or she receives~~  
35 ~~training or retraining benefits, allowances, or stipends pursuant to~~  
36 ~~the provisions of any state or federal law providing for the payment~~  
37 ~~of such benefits, but excluding costs of training paid pursuant to~~  
38 ~~the federal Trade Act of 1974 (19 U.S.C. Sec. 2101 et seq.), as~~  
39 ~~amended by the federal Trade Act of 2002 (Public Law 107-210).~~



1     ~~(b) “Training or retraining benefits, allowances, or stipends,”~~  
2     ~~as used in this section, means discretionary use, cash in-hand~~  
3     ~~payments available to the individual to be used as he or she sees~~  
4     ~~fit. Direct and indirect compensation for training costs, such as~~  
5     ~~tuition, books, and supplies, is excluded as a condition of approval.~~

6     SEC. 13. This act is an urgency statute necessary for the  
7     immediate preservation of the public peace, health, or safety within  
8     the meaning of Article IV of the Constitution and shall go into  
9     immediate effect. The facts constituting the necessity are:

10    In order to address the fiscal crisis facing the unemployment  
11    insurance system in this state, it is necessary that this act take effect  
12    immediately.