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CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 2058

Introduced by Assembly Member Block

(Principal coauthor: Senator Negrete McLeod)

**(Coauthors: Assembly Members Arambula, Beall, Blumenfield,
Hayashi, Bonnie Lowenthal, Solorio, and Torrico)**

(Coauthors: Senators Correa and DeSaulnier)

February 18, 2010

An act to amend Sections 1266, 1267, 1269, 1271.5, and 1272 of, to amend the heading of Article 1.5 (commencing with Section 1266) of Chapter 5 of Part 1 of Division 1 of, and to add Sections 1266.1, 1269.1, ~~and 1274.5~~ 1274.5, and 1274.20 to, the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2058, as amended, 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 establish the California Training Benefits Program, which, among other things, would revise those eligibility requirements to, instead, specify that an unemployed individual who qualifies for unemployment compensation benefits, extended duration benefits, or federal-state extended benefits or any federally funded unemployment compensation benefits, and applies for the program shall be deemed to automatically be eligible for the program during a period of training or retraining.

Existing law requires that a determination of potential eligibility for training or retraining benefits be issued to an unemployed individual if the director makes a specified finding.

This bill would, instead, require that a determination of automatic eligibility for training or retraining be issued to an unemployed individual if any of specified conditions apply. The bill would also require that, if training or retraining is not authorized under those provisions governing automatic eligibility for those benefits, a determination of potential eligibility for benefits be issued to the unemployed individual if the director finds that specified criteria apply.

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, or online, 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.

This bill would provide that these changes are effective on January 1, 2011, unless the department determines that implementation by that

date is not feasible, in which case it would require the department to implement the changes no later than July 1, 2011.

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. The bill would require the department, not later than September 1, 2016, to prepare and submit to the Governor and the Legislature a report evaluating the effectiveness of the program, containing data and information as prescribed.

Vote: majority. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. The heading of Article 1.5 (commencing with
2 Section 1266) of Chapter 5 of Part 1 of Division 1 of the
3 Unemployment Insurance Code is amended to read:

4

5 Article 1.5. California Training Benefits Program

6

7 SEC. 2. Section 1266 of the Unemployment Insurance Code
8 is amended to read:

9 1266. This article shall be known, and may be cited, as the
10 California Training Benefits Program.

11 SEC. 3. Section 1266.1 is added to the Unemployment
12 Insurance Code, to read:

13 1266.1. Experience has shown that the ability of a large number
14 of the population of California to compete for jobs in the labor
15 market is impaired by advancement in technological improvements,
16 the widespread effects of automation and relocation in our
17 economy, and foreign competition as set forth in petitions certified
18 under the federal Trade Act of 1974, as amended (Title 19, United
19 States Code, Sections 2101 et seq.). The Legislature finds that
20 many individuals in California are lacking in skills that would
21 make them competitive in the labor market. They are in need of
22 training or retraining to upgrade their skills required in demand
23 occupations. It is the policy of this state to assist these individuals
24 by providing unemployment compensation benefits, extended
25 duration benefits, and other federally funded unemployment

1 compensation benefits, including those available under the federal
2 Trade Act of 1974 (Public Law 93-618), as amended by the federal
3 Trade Act of 2002 (Public Law 107-210), during a period of
4 retraining to qualify them for jobs in demand occupations and thus
5 avoid long-term unemployment.

6 SEC. 4. Section 1267 of the Unemployment Insurance Code
7 is amended to read:

8 1267. Notwithstanding any other provision of this division,
9 with respect to an unemployed individual otherwise eligible for
10 benefits, those benefits shall not be denied to an individual for any
11 week because he or she is in eligible training or retraining, as
12 described in Section 1269 or 1269.1, or because of the application
13 to any such week in training or retraining of any law of this state
14 relating to availability for work, active search for work, refusal to
15 accept work, or for leaving his or her most recent work, if
16 continuing the most recent work would require the individual to
17 terminate his or her training or retraining course of instruction.
18 The individual is considered to be in training or retraining during
19 regularly scheduled vacation or recess periods, such as Christmas
20 and Thanksgiving holidays, or semester breaks, but not during a
21 summer vacation period. As used in this article, "individual"
22 includes an exhaustee as defined in Section 3503, and any
23 individual claiming federal-state extended benefits under Part 4
24 (commencing with Section 4001), and anyone receiving federally
25 funded unemployment compensation benefits.

26 SEC. 5. Section 1269 of the Unemployment Insurance Code
27 is amended to read:

28 1269. A determination of automatic eligibility for benefits
29 under this article shall be issued to an unemployed individual if
30 the director finds that any of the following apply:

31 (a) The training is authorized by the federal Workforce
32 Investment Act (Public Law ~~106-220~~ 105-220) or by the
33 Employment Training Panel established pursuant to Chapter 3.5
34 (commencing with Section 10200) of Part 1 of Division 3.

35 (b) The training is authorized by the federal Trade Act of 1974,
36 (19 U.S.C. Sec. 2101 et seq.), as amended by the federal Trade
37 Act of 2002 (Public Law 107-210), and as those acts may be
38 amended by the Trade and Globalization Adjustment Assistance
39 Act of 2009, enacted under the American Recovery and

1 Reinvestment Act of 2009 (Public Law 111-5), pursuant to a
2 certified petition.

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

10 (d) The individual is a participant in training with a provider
11 that is certified and on the state's Eligible Training Provider List
12 (ETPL), as authorized by the federal Workforce Investment Act
13 (Public Law 105-220).

14 (e) The individual is a journey level union member and the
15 training or retraining course of instruction is industry-related
16 training necessary due to changes in technology, or industry
17 demands, or is necessary to retain employment or to become more
18 competitive in obtaining employment.

19 SEC. 6. Section 1269.1 is added to the Unemployment
20 Insurance Code, to read:

21 1269.1. If the training is not authorized under Section 1269, a
22 determination of potential eligibility for benefits under this article
23 shall be issued to an unemployed individual if the director finds
24 that all of the following apply:

25 (a) The individual has been unemployed for four or more
26 continuous weeks, or the individual is unemployed and unlikely
27 to return to his or her most recent workplace because work
28 opportunities in the individual's job classification are impaired by
29 a plant closure or a substantial reduction in employment at the
30 individual's most recent workplace, by advancement in
31 technological improvements, by the effects of automation and
32 relocation in the economy, or because of mental or physical
33 disability that prohibits the individual from utilizing existing
34 occupational skills.

35 (b) One of the substantial causes of the individual's
36 unemployment is a lack of sufficient current demand in the
37 individual's labor market area for the occupational skills for which
38 the individual is fitted by training and experience or current
39 physical or mental capacity, and that the lack of employment
40 opportunities is expected to continue for an extended period of

1 time, or, if the individual's occupation is one for which there is a
2 seasonal variation in demand in the labor market and the individual
3 has no other skill for which there is current demand.

4 (c) The training or retraining course of instruction relates to an
5 occupation or skill for which there are, or are expected to be in the
6 immediate future, reasonable employment opportunities in the
7 labor market area in this state in which the individual intends to
8 seek work and there is not a substantial surplus of workers with
9 requisite skills in the occupation in that area.

10 (d) The training or retraining course of instruction is one
11 approved by the director and can be completed within a reasonable
12 period of time.

13 (e) The training or retraining course is a full-time course
14 prescribed for the primary purpose of training the applicant in
15 skills that will allow him or her to obtain employment in a demand
16 occupation.

17 (f) The individual can be reasonably expected to complete the
18 training or retraining successfully.

19 (g) The beginning date of training is more than three years after
20 the beginning date of training last approved for the individual
21 under this subdivision.

22 (h) (1) If a determination of potential eligibility for benefits is
23 issued under this section, except under subdivision (c), and when
24 federal extended unemployment insurance benefits are in effect,
25 the director may find that an unemployed individual is eligible for
26 training benefits if the individual is enrolled in a community college
27 or other accredited postsecondary education program with the
28 purpose of preparing the applicant in academic or job skills,
29 including remedial training, that will increase employment
30 opportunities or that leads to an industry-recognized credential or
31 certificate designed for a specific occupation. If an individual is
32 approved for training benefits under this subdivision and the federal
33 extended unemployment insurance benefits are subsequently no
34 longer in effect, the individual shall remain eligible as long as he
35 or she is attending the training and is meeting the provisions of
36 this article.

37 (2) For purposes of this section, the following terms have the
38 following meanings:

1 (A) “Accredited” means an institution recognized or approved
2 by an accrediting agency recognized by the United States
3 Department of Education.

4 (B) “Accrediting agency” is an agency recognized by the United
5 States Department of Education.

6 SEC. 7. Section 1271.5 of the Unemployment Insurance Code
7 is amended to read:

8 1271.5. (a) The department shall inform all individuals who
9 claim unemployment compensation benefits in this state of the
10 benefits potentially available under this article and Section 1271.
11 The department shall convey this information verbally, in written
12 form, or online. If in written form, the department may utilize
13 publications or handbooks that inform individuals of their rights
14 and duties in regard to unemployment compensation benefits.
15 These publications, issued by the department pursuant to authorized
16 regulations, may be used to satisfy the requirements of this section.
17 Information required by this section shall be made available on
18 the department’s Internet Web site in close proximity to
19 information on unemployment compensation claim forms.

20 (b) Benefits paid under Section 1271 shall be charged to
21 individual employer reserve accounts, consistent with the
22 provisions of this code.

23 SEC. 8. Section 1272 of the Unemployment Insurance Code
24 is amended to read:

25 1272. Notwithstanding subdivision (c) of Section 1253, an
26 unemployed individual who is able to work is eligible to receive
27 benefits under this article with respect to any week during a period
28 of training or retraining only if the director finds both of the
29 following:

30 (a) He or she has been determined potentially eligible under
31 Section 1269, 1269.1, or 1271.

32 (b) He or she submits a certification, as prescribed by the
33 Employment Development Department through regulations,
34 executed by a responsible person connected with the training or
35 retraining program certifying that he or she is enrolled in and
36 satisfactorily pursuing the training or retraining course of
37 instruction.

38 SEC. 9. Section 1274.5 is added to the Unemployment
39 Insurance Code, to read:

1 1274.5. Not later than September 1, 2016, the department
2 shall prepare and submit to the Governor and the Legislature a
3 report evaluating the effectiveness of the California Training
4 Benefits Program required to be implemented pursuant to this
5 article. The report shall include, at a minimum, all of the following
6 data for calendar years 2007 through 2014, inclusive:

7 (a) The number of individuals determined to be eligible for the
8 program as of December 31, 2015.

9 (b) The number of individuals determined to be eligible for the
10 program under each subdivision of Section 1269.

11 (c) The number of individuals determined to be eligible for the
12 program under Section 1269.1.

13 (d) The number of individuals who participated in the program
14 and earned subsequent wages in the following calendar year.

15 (e) Recommendations to improve the effectiveness and efficiency
16 of the program.

17 *SEC. 10. Section 1274.20 is added to the Unemployment*
18 *Insurance Code, to read:*

19 *1274.20. The amendments to this article proposed by Assembly*
20 *Bill 2058 of the 2009–10 Regular Session shall be effective*
21 *commencing January 1, 2011, unless the department determines*
22 *that implementation by that date is not feasible, in which case the*
23 *department shall implement the amendments provided by that*
24 *measure no later than July 1, 2011.*