

## **Assembly Bill No. 2058**

### **CHAPTER 591**

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, 1274.5, and 1274.20 to, the Unemployment Insurance Code, relating to unemployment insurance, and making an appropriation therefor.

[Approved by Governor September 30, 2010. Filed with  
Secretary of State September 30, 2010.]

#### **LEGISLATIVE COUNSEL'S DIGEST**

##### **AB 2058, 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.

Appropriation: yes.

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

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

#### Article 1.5. California Training Benefits Program

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

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

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

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

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

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

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

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

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

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

(b) The training is authorized by the federal Trade Act of 1974, (19 U.S.C. Sec. 2101 et seq.), as amended by the federal Trade Act of 2002 (Public Law 107-210), and as those acts may be amended by the Trade and Globalization Adjustment Assistance Act of 2009, enacted under the American Recovery and Reinvestment Act of 2009 (Public Law 111-5), pursuant to a certified petition.

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

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

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

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

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

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

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

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

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

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

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

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

(h) (1) If a determination of potential eligibility for benefits is issued under this section, except under subdivision (c), and when federal extended unemployment insurance benefits are in effect, the director may find that an unemployed individual is eligible for training benefits if the individual is enrolled in a community college or other accredited postsecondary education program with the purpose of preparing the applicant in academic

or job skills, including remedial training, that will increase employment opportunities or that leads to an industry-recognized credential or certificate designed for a specific occupation. If an individual is approved for training benefits under this subdivision and the federal extended unemployment insurance benefits are subsequently no longer in effect, the individual shall remain eligible as long as he or she is attending the training and is meeting the provisions of this article.

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

(A) "Accredited" means an institution recognized or approved by an accrediting agency recognized by the United States Department of Education.

(B) "Accrediting agency" is an agency recognized by the United States Department of Education.

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

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

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

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

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

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

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

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

1274.5. Not later than September 1, 2016, the department shall prepare and submit to the Governor and the Legislature a report evaluating the effectiveness of the California Training Benefits Program required to be

implemented pursuant to this article. The report shall include, at a minimum, all of the following data for calendar years 2007 through 2014, inclusive:

- (a) The number of individuals determined to be eligible for the program as of December 31, 2015.
- (b) The number of individuals determined to be eligible for the program under each subdivision of Section 1269.
- (c) The number of individuals determined to be eligible for the program under Section 1269.1.
- (d) The number of individuals who participated in the program and earned subsequent wages in the following calendar year.
- (e) Recommendations to improve the effectiveness and efficiency of the program.

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

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