

AMENDED IN ASSEMBLY APRIL 17, 1995

CALIFORNIA LEGISLATURE—1995–96 REGULAR SESSION

ASSEMBLY BILL

No. 557

Introduced by Assembly Member Ducheny

February 17, 1995

An act to add and repeal Section 15034.5 of the Unemployment Insurance Code, relating to employment, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 557, as amended, Ducheny. Employment: private industry councils: job training.

Existing law permits the Employment Training Panel to allocate money in the Employment Training Fund for specified purposes. Existing law also provides for private industry councils to further cooperation between government and the private sector in meeting needs for job training.

This bill would establish, until January 1, 1999, the Employee Retraining and Economic Conversion Program as a pilot program to be implemented by private industry councils *or other federally designated job training organizations*. The purpose of the program would be to permit private industry councils *or other federally designated job training organizations* to distribute grants to employers on a dollar-for-dollar matching basis for *training or* retraining employees and converting their ~~business~~ *businesses* to other types of work.

The Employment Development Department would be required to report to the Legislature on the program, as specified.

Existing law continuously appropriates moneys in the Employment Training Fund for allocation by the Employment Training Panel for specified purposes.

This bill would permit the Employment Training Panel to allocate ~~an amount not to exceed~~ \$10,000,000 *annually* from the Employment Training Fund for the new purpose of funding the pilot program, thereby making an appropriation.

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. Section 15034.5 is added to the
2 Unemployment Insurance Code, to read:

3 15034.5. (a) The department shall establish the
4 Employee Retraining and Economic Conversion
5 Program, as a pilot program to be administered by ~~the~~
6 private industry councils *or other federally designated*
7 *job training organizations* for a period not to exceed three
8 years.

9 (b) The program shall distribute ~~grants~~ *minimum*
10 *grants of seventy-five thousand dollars (\$75,000)* to
11 employers willing to make dollar-for-dollar matching
12 contributions for *training or* retraining employees and
13 converting their business to other types of work. Priority
14 shall be given to ~~distributing grants to defense~~
15 ~~contractors for retraining employees and converting to~~
16 ~~nondefense work.~~ *areas economically affected because of*
17 *defense downsizing.*

18 (c) On or before July 1, 1998, the department shall
19 submit a report to the Legislature on the effectiveness of
20 the pilot program in meeting the goals of this division,
21 together with a recommendation with regard to the
22 continuance of the pilot program. The report shall
23 include an evaluation of the effectiveness of the pilot
24 ~~program in retraining employees and assisting employers~~



1 ~~in converting their business to other types of work.~~
2 *program in training or retraining employees.*

3 (d) This section shall remain in effect only until
4 January 1, 1999, and as of that date is repealed, unless a
5 later enacted statute, which is enacted before January 1,
6 1999, deletes or extends that date.

7 SEC. 2. Notwithstanding Section 10206 of the
8 Unemployment Insurance Code, the Employment
9 Training Panel shall allocate from the Employment
10 Training Fund ~~an amount not to exceed~~ ten million
11 dollars (\$10,000,000) *annually* to private industry councils
12 *or other federally designated job training organizations*
13 for implementation of the Employee Retraining and
14 Economic Conversion Program established by Section 1
15 of this act.

16 SEC. 3. *Private industry councils or other federally*
17 *designated job training organizations shall be awarded*
18 *funds by the Employment Training Panel under a format*
19 *separate from existing Employment Training Panel*
20 *contract regulations. Private industry councils or other*
21 *federally designated job training organizations shall*
22 *assume greater flexibility in the selection of employers*
23 *and with the least amount of overhead.*

